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EDAC D-1A

September 8, 1952

ECONOMIC DEFENSE ADVISORY COMMITTEE

Bilateral Negotiations and Agreements With Japan on Levels of Export Controls

The attached document is distributed for the information of the Advisory Committee members. It gives the background details and results of the bilateral negotiations which were held with the Japanese July 23 - August 2, and finalized on September 5, in conjunction with the Five-Power Talks on organizational arrangements for Far Eastern economic security measures. It also includes the U.S. position as set forth at the Five Power Talks and the press agreements and agreed recommendations emanating from the Talks. The document is divided into four parts.

Part I consists of a report of the U.S. - Japanese Working Group on Levels of Japanese Controls to Communist China, together with five attachments setting forth the understandings and agreements reached as a result of the Group's work.

Part II consists of a report of the negotiations held between the head of the U.S. delegation and the head of the Japanese delegation on the basis of the results of the Working Group (i.e., attachments to Part I). It includes ten attachments resulting from these negotiations.

Part III consists of the final understanding reached between the two countries on the control of exports to Communist China and the interpretative notes with respect thereto. These were signed on September 5, by Mr. Linder and Mr. Takeuchi, heads of the U.S. and Japanese delegations respectively.

Part IV consists of the U.S. position as set forth at the Five Power meeting on Tuesday, July 29; the two press agreements approved at the initial and closing sessions of the Five Power Talks; and the Agreed Recommendations to Member Countries of the Consultative Group which provides the basis for the Consultative Group meeting in Paris, beginning September 18.

Edward G. Platt, Jr.
Executive Secretary

Divisions of the Document:

- Part I (with five attachments)
- Part II (with ten attachments)
- Part III (a,b)
- Part IV (U.S. Position, Press Statements, and Agreed Recommendation)

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Part I

August 11, 1952

MEMORANDUM TO: Mr. Harold Linder
Chairman, U. S. Delegation to the Five Power Conference

FROM: J. Mishell George
Chairman, U. S. - Japanese Working Group on Levels of
Japanese Control to Communist China

SUBJECT: Report of U. S. - Japanese Working Group on Levels of
Japanese Control to Communist China

I wish to report to you that the work of the U. S. - Japanese Working Group on Levels of Japanese Control to Communist China has been completed and is herewith reported to you through the five attachments to this memorandum and the explanatory comment contained below.

The effort of this Working Group began on July 29 on the basis of oral instructions which I received from the USDEL through Mr. Karl Anderson. These instructions were both general and highly qualified as to lee-way of action on the part of the U. S. representatives and were given with a clear indication of the urgency to accomplish the maximum agreement obtainable within the following 48 hours. On the basis of these instructions a Working Group was convened to review and modify, as appropriate, the Japanese recommendations for relaxation of this control (See Attachment #1). Membership in the Working Group was as follows: representing the Japanese Government - Messrs. Matsumura and Sawaki from the Japanese Embassy and Messrs. Matsuo and Yamashita from MITI; representing the U. S. Government - Messrs. David McCall and Edward Cronk and Miss Ann Chaney from the State Department; Edward Walinsky, Robert Klein, Milton Berger and J. M. George (Chairman) from the Department of Commerce.

By the end of work July 31st the preliminary investigation of the Working Group had been completed and was reported to a representative group of the USDEL. At this time it appeared that the original instructions received had not been completely agreed on by the USDEL and certain modifications of the instructions were then made. On the basis of these modifications, representing a somewhat stronger attitude, negotiations were reopened the following morning and by the end of August 1 the general principles set forth in Attachment #2 to this document were agreed by the Working Group. The further understandings with respect to the basic agreement set forth in Attachment #3 were agreed with the exception of one sentence therein which remains unagreed as of this date. The copies of these attachments were then presented to the USDEL and oral discussion was held with you and other members of the USDEL. On the basis of that discussion the Working Group proceeded the following week to establish a tentative list with respect to the category to be embargoed by the Japanese in addition to the International Control Lists and the U. S. Security Lists. The period from August 4 through August 11 was thus

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employed by the Working Group. The results of this review are set forth in Attachment #4. It should be noted that Attachment #4 represents the roughest type of technical judgments on additional items warranting embargo to China and represents only the views of the small number of technicians consulted and of the U.S. representatives on the Working Group.

The Japanese representatives have been fully briefed with respect to the limitations which govern the selection of the items listed in Attachment #4. It has been indicated to them that this list in no way represents an overall judgment of this Government but rather the most tentative type of indication of concern on items thought to be of embargo significance. The Japanese representatives in turn have indicated that while they believe the list may be acceptable for the purpose intended under paragraph 3(a) of attachment #2 the final decision will rest with the head of the Japanese Delegation and any action will be subject to the further review of the list to be accomplished in Tokyo. The Japanese representatives have indicated concern over the inclusion of certain commodities in the list and certain modifications in the list have already been made to accommodate that concern although some items remain in question. It is the expressed belief of the Japanese Representatives that this list, as well as the other residual items, will be thoroughly reviewed in Tokyo and the U.S. Government notified promptly of the judgments reached by the Japanese Government. As soon as this review has been made, it is apparently the intent of the Japanese Government to request that an appropriate group of U.S. technicians be sent to Tokyo to confer with Japanese technicians and to reach final technical judgments on the several lists. It is my understanding that Mr. Takeuchi will make an official request of you at your next meeting to send such a group of technicians to Tokyo.

Throughout the discussion in the Working Group the Japanese representatives have repeatedly emphasized their view that whatever bilateral agreement is reached with the U.S., from the point of view of the Japanese Government, has meaning only in relation to the intent that both Governments shall seek comparable action from the appropriate multilateral group and will be directly affected by such multilateral agreement as is reached. I cannot overemphasize the extent to which they have stressed this point which relates directly to the unagreed sentence in paragraph 5 of attachment #3.

With respect to this general problem of the intent to bring comparable lists before the multilateral group having jurisdiction, I have attempted to avoid committing the U.S. Delegation in any way except to indicate (1) that I believed it to be an objective of this Government to seek the maximum embargo to Communist China as is obtainable and (2) in the work program of any multilateral group having jurisdiction, I believed the U.S. Government would press for appropriate action subject to the decisions of such group on its own work program and the problem of tactics involved in any such representation. A preliminary discussion

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3.

of this point with the U.S. Delegation appeared to indicate that the Chairman of the Working Group had in this respect gone somewhat farther than some representatives of the U.S. felt believed desirable.

With respect to the unagreed sentence in paragraph 5 of Attachment #3 I would emphasize that this sentence is meant to qualify the words "within a reasonable length of time" appearing in the preceding sentence. With regard to this paragraph the U.S. representatives on the Working Group explained at some length the rationale supporting the inclusion of this sentence and indeed warranting the exclusion of the rest of the paragraph which would remove from the bilateral coverage any commodity on which the appropriate multilateral group has made a determination. Although it is believed the Japanese representatives fully understood and appreciated the reasons supporting the U.S. position, they were apparently under firm instruction on the point and no purpose appeared to be served by pursuing the matter at that level. It is the belief of the Chairman that the inclusion of the controversial sentence is warranted and the paragraph as a whole reflects the compromising character of the instructions received by him. On the other hand, it is also the view of the Chairman that a stronger position on this point by the Chairman of the USDEL is warranted and stands a reasonable chance of success in discussions between the heads of the two delegations.

Attachment #5 consists of a statement of understanding with respect to Japanese Trade with Hong Kong which is intended to accommodate the restrictions placed by the Hong Kong Government on cooperation in issuing the Essential Supply Certificates and to reflect a further understanding on the part of the Japanese Government with respect to its giving "due regard for the necessity for security export controls for Communist controlled areas in the Far East" and a fuller exchange of information with the U.S. Government on trade with Hong Kong. This statement represents a reasonable action which appears to be in accord with facing the facts in the Hong Kong trade situation.

This memorandum serves as a general report on the work of the Working Group. Other elements of this discussion deserve being made a matter of written record and will be included in a supplemental report.

Attachments: 5

1. Japan's Control on Export to Communist China, dtd. 7/27/52
2. Japan's Control on Export to Communist China, dtd. 8/11/52
3. Statement of Understanding re "Japan's Control on Export to Communist China"
4. List of Additional Items* to be Embargoed Under Paragraph 3(a) of Basic Agreement**
5. Statement of Understanding With Respect to Trade With Hong Kong

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JAPAN'S CONTROL ON EXPORT TO COMMUNIST CHINA

1. a. The commodities enumerated in the International List shall be embargoed.
 - b. The commodities included in the present U.S. Security List but not listed in the International List will tentatively continue to be embargoed, in anticipation of inclusion of such commodities in the International List within a reasonable length of time.
 - c. The commodities included in the list attached to the existing Export Trade Control Order but not falling under the above-mentioned two lists will be permitted to be shipped, only upon review of individual transaction, carefully weighing importance of commodities to be obtained in return. In addition, due attention will be paid to insure that the quantities be limited to reasonable amount.
2. For the purpose of implementing the above control, no modification of the existing law and order concerning export control will be necessary.
 3. In the event export control is strengthened by agreement among the nations having principal trading interests in the Far East, Japan is willing and prepared to cooperate in such a concerted action.

Attachment #1

July 27, 1952

JAPAN'S CONTROL ON EXPORT TO COMMUNIST CHINA

1. The commodities enumerated in any International Control List shall be embargoed.
2. The commodities included in the U.S. Security Lists (including the Battle Act Lists) but not listed in the International Control Lists will tentatively continue to be embargoed, in anticipation of inclusion of such commodities in the International Control Lists within a reasonable length of time.
3. The commodities included in the list attached to the existing Export Trade Control Order but not falling under the above-mentioned lists will be controlled in one of the following ways:
 - (a) Until a more definitive determination is made, items which are found to be readily determinable as of strategic significance to China will be embargoed by Japan to Communist China. Where proposed shipments of any such item to China would, in the opinion of the Japanese Government, involve their exchange for items of a character and quantity of such importance to the basic economy of Japan or the defense production programs in the free world, including Japan, as clearly to represent a highly favorable exchange, such transactions would be made the subject of bilateral discussions between Japan and the U.S. prior to any definitive action by the Japanese Government.
 - (b) Until a more definitive determination is made, items which are suspected to be of strategic importance to Communist China or concerning which there is real uncertainty as to the strategic importance to China will be licensed to China only upon the review of individual transactions by the Japanese Government under strict quantitative control and where, in the opinion of the Japanese Government, the goods which are to be received in exchange clearly would contribute to the basic economy of Japan or the defense production programs in the free world, including Japan. The Japanese Government and the U.S. Government will exchange information periodically as to their shipment of goods to Communist China in this category.
 - (c) Until a more definitive determination is made, items which are determined to be of limited if of any strategic importance to China will be freely licensed for export to China by Japan but within reasonable quantities so as to exclude their use by the Communist Chinese for conversion to direct or indirect military support uses. The Japanese Government and the U.S. Government will exchange information periodically as to their shipments of goods to Communist China in this category.

Attachment #2

August 11, 1952
Washington, D.C.

Approved For Release 2000/08/23 : CIA-RDP62-00647A000200110008-1

STATEMENT OF UNDERSTANDING WITH RESPECT TO PARAS.
"JAPAN'S CONTROL ON EXPORT TO COMMUNIST CHINA"

1. It is recognized that determinations of strategic significance involve constant review of commodities in their relationship to specific areas under varying conditions. It is understood that neither the U.S. Security Lists nor the International Control Lists as approved or under consideration reflect a detailed technical analysis of the strategic worth of goods insofar as they apply to Communist China, such lists having been developed primarily for application against the more highly developed economies of Eastern European Countries which are not in open conflict with free world military forces.
2. In the range of commodities not now covered by U.S. Lists or by any International Control List the earliest determinations of strategic significance respecting China are necessary and international (multilateral) effort involving Japan, U.S. and other countries (with substantial Far Eastern interests) should be begun to this end. These efforts should be brought to a conclusion at the earliest possible date.
3. As a preliminary step and to meet the immediate problem facing Japan, the Japanese Government will examine jointly with the U.S. the residual items described above in order to make preliminary and tentative determinations as to their strategic significance respecting Communist China. This examination will begin immediately and be completed at the earliest possible time. The results will be viewed as preliminary and tentative pending further detailed examination of the problem on a multilateral basis.
4. With respect to Paras 1 and 2 of the agreed paper it is understood that the Japanese Government will continue to embargo to Communist China all items on these lists at least so long as there is Communist aggression in the Far East which is recognized by the United Nations.
5. With reference to the phrase "until a more definitive determination is made" indicated in paragraph 3 (a), (b) and (c) of the agreed paper, it is hereby understood that the Japanese Government will not be required to take actions referred to in the above-mentioned paragraphs in cases where the Coordinating Committee or similar international organization has made determinations different from those tentatively agreed upon in accordance with these paragraphs, or where it has failed to make or discuss such determinations within a reasonable length of time. With respect to items covered by para 3(a), however, where a multilateral determination has not been made, the Japanese Government will continue the agreed 3 (a) control at least so long as there is Communist aggression in the Far East which is recognized by the United Nations.*

Notwithstanding this understanding, in such event the Japanese Government will be ready to discuss the matter with the United States Government in the light of the situation then prevailing, in the spirit of close cooperation between the two countries.

* This sentence currently unagreed

Attachment #3
 August 11, 1952
 Washington, D. C.

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6. In implementing paragraph 3 of the agreed paper it is understood that the following action program will be followed:

- a. For action under para 3(a) the initial list will be composed of the items being considered in COCOM for embargo to China which are not on the International Control Lists or the U.S. Security Lists (including the B.A. Lists) and such items as the two governments may agree should also be embargoed to China on the basis of an immediate review of the uncovered commodity areas to be undertaken by technicians of the two governments.
- b. The commodities on the Japanese Control List which will not have been covered by the U.S. Security Lists, the International Control Lists or Para a. above will be reviewed by the Japanese Government in Tokyo and recommendations made as to the control of such commodities under para 3 (b) and (c). These recommendations will then be discussed between the two governments. During the period of such examination and discussion the Japanese Government will treat all these commodities under the provisions of paragraph 3 (b).

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LIST OF ADDITIONAL ITEMS* TO BE EMBARGOED UNDER PARAGRAPH 3(a) OF
BASIC AGREEMENT**

*This list excludes items on UK recommendation currently before COCOM
(to the extent recommendation is not covered by International Control
Lists or U.S. Security Lists) although these items are also covered
by 3(a) of the Basic Agreement.

**Basic Agreement refers to Attachment #2 titled "JAPAN'S CONTROL ON
EXPORT TO COMMUNIST CHINA".

ATTACHMENT 4

8/11/52
Washington, D. C.

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LEATHER MANUFACTURES

Schedule B. No.

068000	Leather Belts and Belting (industrial), New. Recommend embargo of the following: Fan belts Leather belting, round and twisted Leather transmission belting Sewing machine belting
069900	Leather Manufactures, n.e.c. Recommend embargo of the following: Belting, used Belts, industrial, used Cartridge bags, non-military Cylinder cups Flange packings Gaskets Hand pads, steel-stapled Mechanical leather for packing Oil seals Packing Piston cups Polishing wheels Rawhide ropes V-belts, used Washers Wheels

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ANIMAL AND FISH OILS AND GREASES, INEDIBLE

Schedule B No.

080300	Neat's-Foot Oil and Neat's Foot Stock
080998	Animal Oils, Inedible, n.e.c.
084700	Oleic Acid, or Red Oil
084900	Stearic Acid
085700	Tallow, Inedible

Recommend the above for embargo.

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RUBBER AND MANUFACTURES

Schedule B No.

200901	"S" type (copolymers of butadiene & styrene) synthetic rubbers Recommendation: Embargo of above
209998	Synthetic rubbers, n.e.c. Recommended for embargo: all types
201400	Rubber cement Recommended for embargo: Rubber cements, the following: Abrasive bonding Automotive Latex compound Prop Sealing Thiokol Vulcanizing Vultax
201650	Rubber and rubberized piece goods, fabrics, and sheeting, n.e.c. Recommended for embargo: Adhesive fabrics Airplane cloth Balloon cloth Hospital blankets, rubber Neoprene - coated fabrics Neoprene flock sheet Raincoat fabrics Rubber cloth Tarpaulins Waterproof cloth
203300	Rubber boots and shoes Recommended for embargo: Acidproof shoes, rubber uppers and wooden soles

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Schedule B No.

203900	Rubber and rubberized gloves and mittens Recommended for embargo: Acid proof gloves Anode surgeons' gloves Electricians' gloves Industrial gloves Neoprene gloves Surgeons' gloves and mittens Synthetic rubber gloves Workmen's gloves and mittens
204300	Clothing of rubber or of rubberized cloth Recommended for embargo: Acidproof sleeves Utility suits Waterproof aprons Waterproof sleeves
205300	Electrical battery boxes Recommended for embargo: above
205400	Electrical hard rubber goods, except battery boxes Recommended for embargo
205900	Hard rubber goods, n.e.c. Recommended for embargo: Acid carboy drainers Brickets Filter disks Pails Tubes, except electrical Tubing, except electrical
206905	Camelback Recommended: Above for embargo
206998	Other tire sundries and repair material Recommend above for embargo
208400	Rubber and friction tape, except medicated Recommend above for embargo

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- 208620 Fan belts, V-types, for automobiles and other vehicles
Recommend above for embargo
- 208910 Molded braided hose
Recommend for embargo:
All types of molded braided hose which
are not currently on the International
or U.S. Security Lists.
- 208920 Wrapped and hand built hose
Recommend embargo of wrapped and hand built hose
are not currently covered by International
and U.S. Security Lists.
- 208990 Other hose and tubing
Recommend for embargo:
All other hose and tubing which are
not currently covered by International
or U.S. Security Lists.
- 209310 Rubber sheet packing
Recommend for embargo rubber sheet packing which
are not now covered by International or U.S.
Lists.
- 209320 Rubber packing, except sheet
Recommend for embargo rubber packing, except
sheet, which are not now covered by International
or U.S. Lists.
- 209800 Compounded or semi-processed natural and/or synthetic
rubbers and allied gums, for further manufacture

Recommend for embargo all types except presently
covered by International or U.S. Lists.
- 209990 Natural and synthetic rubber manufactures, n.e.c.
not specially fabricated for particular machines or
equipment.

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Recommend embargo of following:

- Brake blocks
- Cable boots
- Cell parts
- Cylinder boots
- Cylinder cups
- Dampers
- Delousing bags, neoprene-coated
- Foam rubber mattresses
- Foam rubber pillows
- Inflated rubber mattresses
- Mattresses
- Rubber foam, for insulating, shock-absorbing,
and sound deadening
- Sandblasting stencils
- Secondhand and used rubber or rubberized
clothing, except latex
- Sponge rubber stripping
- Springs
- Studs
- Swimming fins

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NAVAL STORES, GUNS, AND RESINS

211710 Pine Oil
211720 Wood tar and tar oil from wood

Recommend embargo of the above

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DRUGS, HERBS, LEAVES, AND ROOTS, CRUDE

220904 Cinchona bark

Recommend embargo of the above

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COTTON UNMANUFACTURED

Schedule
B Number

300402 Linters
300403
300405
300406

Recommend for embargo

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COTTON SEMI-MANUFACTURES

Schedule
B Number

300600 Cotton pulp
Recommend above for embargo

300800 Cotton Rags, except paper stock and
as remnants.
Recommend for embargo:
Wiping rags.

300850 Other used cotton.
Recommend for embargo the
following:
Used cotton linters
Used cotton waste
Used or reclaimed linters
from old mattresses

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COTTON MANUFACTURES

Schedule B No.

- 301700 Tire Cord
302100 Other Tire Fabrics
- Recommend above for embargo.
- 303950 Combed, part-combed and fine corded gray cloth
- Recommend for embargo:
Mosquito Netting
Airplane cloth
Balloon fabric
- 304110 Cotton cloth corded, not over 40" wide, dyed in the piece.
- Recommend for embargo the following:
Army twill
Bedford cord
Khaki shirting
Khaki suiting
Marine twill
Navy drill
Suiting drill
- 305000 Cotton cheesecloth and gauze bleached or dyed construction count 36x32 and lower.
- Recommend embargo of the following:
Bandage cloth
Gauze, except sterilized
Mosquito netting, except lace
- 307400 Fine corded combed and part combed goods, n.e.c.
- Recommend embargo of the following:
Airplane cloth
Balloon Fabric
Bedford cord combed
- 308000 Knit fabric in the piece.
- Recommend embargo of the following:
Lining materials, for rubber
Mosquito netting, tricot knitted
- 314000 Woven belts and belting, industrial
- Recommend above for embargo.

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VEGETABLE FIBERS AND MANUFACTURES

349998 Vegetable fiber manufactures, n.e.c.

Recommend embargo of the following:

- Belts, machinery
- Coir yarns
- Fillers
- Hinoki chip rope
- Hose, for liquid or gases
- Kapok fiber, matted
- Kapok Manufactures
- Loading and unloading nets, manila
- Matting
- Reclaimed kapok

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SILK AND MANUFACTURES

370400
372005

Silk oils, wastes,
Parachute cloth

Recommend embargo for the above items.

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MAN-MADE (SYNTHETIC) FIBERS AND MANUFACTURES

VISCOSE HIGH-TENACITY RAYON YARN AND CORD

- 384022 Singles (including yarn)
384023 Plyed (including tire cord), Untried, Treated, or
Dipped but not Woven

Recommended for embargo: Same as above

Thrown Yarns:

- 384032 Nylon and Other Man-Made (Synthetic) Fiber Yarns,
Except Rayon or Acetate

Recommended for embargo: Same as above

Wools, Carnetts and Shoddy

- 384089 Nylon and Other Man-Made (Synthetic) Fibers, except
rayon or acetate

Broad Woven Goods, Wholly or Chiefly of Man-Made (Synthetic)
Fibers by Weight

- 384953 Woven Filament Yarn Fabrics, Wholly of Rayon or Acetate,
n.e.c. - other

Recommended for embargo: parachute cloth

- 384985 Broad Woven Fabrics Wholly or Chiefly of Man-Made
(Synthetic) Fibers, n.e.c. (except rayon or acetate)

Recommended for embargo: Nylon duck

- 384994 Cord-Tire and Free-Cell Fabrics

Recommended for embargo: Same as above

- 384998 Narrow Woven Fabrics (except ribbons) Fringes, Trimmings
and Braids (except hat braids)

Recommended for embargo: Webbing

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MISCELLANEOUS TEXTILE PRODUCTS

391700 Coated or Impregnated Fabrics, N.E.C.

Recommended for embargo the following:

Surgical silk oiled, for dressings,
Tent twill, coated with synthetic resin
Hydraulic oil press duck, copper-impregnated

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PETROLEUM AND PRODUCTS

501400 Blending agents or antiknock compounds, of petroleum origin.

Recommend embargo of all types which are not now covered by the International or U.S. Security Lists.

501900 Naptha, Mineral Spirits, Solvents, and other finished light products.

Recommend embargo of all types which are not now covered by the International or U.S. Security Lists.

504300 Liquefied petroleum gases
504400 Microcrystalline wax

Recommend embargo of the above.

505200 Natural gas

Recommend embargo of the above.

505900 Petroleum products, n.e.c.

Recommend embargo of all types which are not now covered by International or U.S. Security Lists.

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ABRASIVES

541210 Manufactured grinding wheels, except
diamond wheels.

Recommend for embargo all manufactured grinding
wheels (except diamond
wheels) except those
already covered by
present International
or U.S. Security Lists.

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ASBESTOS

545110 Crude asbestos and spinning fibers
Recommend embargo of crude asbestos and
spinning fibers which are not
presently covered by International
or U.S. Security Lists

545130 Non spinning fibers
545150 Waste and refuse
Recommend embargo of the above

545400 Insulated cement and pipe covering
Recommend embargo of the above

545550 Packing not especially fabricated
for particular machine or equip-
ment
Recommend embargo of the above

545998 Asbestos manufacture, n.e.c.
Recommend embargo of the above

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PRECIOUS STONES

599098

Precious, semi-precious, synthetic, and
imitation stones, n.e.c.

Recommend embargo of the following:
Rubies, genuine and synthetic
Sapphires, genuine and synthetic

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STEEL

Recommend embargo of all primary, semi-finished steel products, steel mill products, and castings and forgings which are not currently covered by International or U.S. Security Lists, or the United Kingdom embargo list to China.

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METAL MANUFACTURES

613710 Metal furniture (whether or not upholstered), n.e.c.,
and specially fabricated parts, n.e.c.

Recommend embargo of the following:
Examining tables, surgeons'
Litters
Operating tables
Fracture tables

615450 Hacksaw blades, hand and power

Recommend embargo of above

615850 Files and rasps, 7 inches and over in length

Recommend embargo of above

618610 Car and marine hardware, n.e.c., and specially fabricated
parts, n.e.c., iron and steel.

618630 Copper base alloys (including brass and bronze)
618650 Other metals

Recommend embargo of above

618961 Structural shapes, fabricated
618963 Plates, fabricated, punched or shaped, n.e.c.
618964 Sheets, fabricated, punched or shaped, n.e.c.
618967 Storage tanks, unlined, (all steel grades)
618971 Storage tanks, lined, n.e.c.
618975 Steel pipe, lined

Recommend embargo of above

618976 Iron and steel buildings; aircraft hangers, and quonset huts

Recommend embargo of above

618979 Bridges, portable and knockdown, and specially fabricated
parts.

Recommend embargo of above

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618994 Sprocket and other power transmission chains, iron and steel,
and specially fabricated parts, n.e.c.
618995 Chains, n.e.c., and specially fabricated parts, n.e.c.,
made of iron and steel and other metals

Recommend embargo of above

619011 Gas cylinders, filled
619012 Other filled shipping containers, filled

619021 Gas cylinders, unfilled
619022 Other unfilled shipping containers, unfilled

Recommend embargo for above

619031) Welding rods and wires, iron and steel, electric
619033) and non-electric
619034 Copper base alloy (including brass and bronze)
619037 Manganese
619038 Molybdenum
619039 Other metals

Recommend embargo of above

619051 Insect screen cloth, iron and steel
619052 Insect screen cloth, aluminum
619053 Insect screen cloth, copper base alloy (including
brass and bronze)
619054 Insect screen cloth, other metals and plastics
619055 Other wire cloth, iron and steel
619056 Other wire cloth, copper base alloy
619057 Other wire cloth, other metals and plastics.

Recommend embargo of above

619061 Wire rope and cord, except insulated iron and steel:

Recommend embargo of only aircraft control

619069 Wire products, n.e.c., not specially fabricated for
particular machines or equipment.

Recommend embargo of the following:
Wire insulators for conveyor belting
Woven wire conveyor belting

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619110 Metal powders
619159 Other metal powders

Recommend embargo of all types which are not currently covered by International or U.S. Security Lists.

619230 Foil and leaf, aluminum
619250 Foil and leaf, other metals, including precious

Recommend embargo of above.

619910 Metal manufacture, n.e.c.

Recommend embargo of the following:

- Blow torches
- Bullet proof vests, except military
- Caps, protective, for gas cylinders
- Carboy inclinators
- Condenser plugs, cleaning
- Crucibles
- Evaporator dishes
- Flexible hose
- Flexible tubing, except electrical
- Iron mass, for gas purification
- Marine and barge hose, including swivel joints
- Mooring buoys, for marking channels
- Oil filters (with spouts)

619950 Other metals except precious

Recommend embargo of the following:

- Blow torches
- Blow guns
- Caps, protective for gas cylinders
- Catalyst nickel, powdered, suspended in cotton-seed oil
- Condenser plugs, cleaning
- Crucibles
- Marine and barge hose, including swivel hose
- Mooring buoys, for marking channels
- Rope, flexible, except wire
- Soldering copper

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FERROALLOYS

Recommend embargo of the following:

621303	Ferromanganese
622092	Ferrosilicon
622095	Ferrocabor-titanium
622098	Ferroboron

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ALUMINUM

630010

Aluminum ores and concentrates

Recommend: Aluminum ores and concentrates
for embargo.

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ANTIMONY

664501 Ores and concentrates
664502 Metal and alloys in crude form
664503 Primary forms, n.e.c.

Recommend for embargo: Antimony ores, alloys
and other primary forms,
n.e.c.

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Beryllium

Schedule B No.

664,505	Ores and concentrates
664,506	Metal and alloys, in crude form, and scrap
664,509	Primary forms, n.e.c.

Recommend above three categories for embargo.

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BISMUTH

Schedule B No.

66451.0 Matte, slimes, residues, and base bullion
Recommend embargo of matte, slimes, residues,
and base bullion.

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CHROMIUM

Schedule B No.

664520	Ores and concentrates
664522	Metal and chromium-bearing alloys in crude form, and scrap
664523	Primary forms, n.e.c.

Recommend embargo of above three categories

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COBALT

Schedule B No.

664529

Primary forms, n.e.c.

Recommend for embargo: Cobalt in primary
forms, n.e.c.

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COLUMBIUM

Schedule B No.

664535

Primary forms, n.e.c.

Recommend for embargo: Columbium in primary forms, n.e.c.

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MANGANESE

Schedule B. No.

664540	Ores and concentrates, containing 10% or more manganese
664541	Metal and alloys, in crude form, and scrap
664543	Primary forms, n.e.c.

Recommend embargo of above

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MAGNESIUM

Schedule B No.

664547	Metal and alloys in crude form, and scrap
664549	Primary forms, n.e.c.

Recommend embargo of magnesium forms
which are not currently on the Inter-
national or U. S. Lists.

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TANTALUM

Schedule B No.

664561 Ores, concentrates, metals and alloys in crude
form, and scrap

664563 Primary forms, n.e.c.

Recommend for Embargo:

Tantalum alloys, scrap and other primary forms not
presently appearing on the International or U.S.
Security Lists.

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TITANIUM, ILMENITE, AND RUTILE

664570	Ores and concentrates
664571	Metal and alloys in crude form, and scrap
664573	Primary forms, n.e.c.

Recommend for embargo all classes of titanium,
ilmenite and rutile.

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TUNGSTEN

Schedule B No.

664580	Ores and concentrates
664581	Metal and alloys in crude form, and scrap
664583	Primary forms, n.e.c.

Recommend embargo of tungsten ores, concentrates
and all other forms not presently covered
by the International or U.S. Security Lists.

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VANADIUM

Schedule B Number

664589

Primary forms, n.e.c.

Recommend for embargo: Vanadium primary
forms, n.e.c.

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ZIRCONIUM

Schedule B No.

664595 Ores and concentrates
664596 Metal and alloy in crude form, and scrap
664597 Primary forms, n.e.c.

Recommend for embargo:

Zirconium ores and concentrates and other forms which
are not presently covered on the International and US
Security Lists.

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MISCELLANEOUS ORES, CONCENTRATES, SCRAP, AND PRIMARY FORMS

Schedule B No.

664598 Nonferrous ores and concentrates, n.e.s.

664998 Nonferrous metals and alloys in primary forms, n.e.c.

Recommend embargo of all types not covered by
AEC, International or U. S. security lists.

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PRECIOUS METALS AND PLATED WARE, N.E.C.

Schedule B No.

692000	Platinum Ore and Concentrates
692205	Platinum and Alloys in Ingots, Bars, Sheets Anodes and other forms, including Scrap.
692209	Palladium, Rhodium, Iridium, Camiridium, Ruthenium, and Cerium Metal, and Alloys.
692990	Platinum and allied metal manufactures, n.e.c.

Recommend for embargo all types not presently
covered by AEC, International or U. S. security
lists.

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ELECTRICAL MACHINERY AND APPARATUS

Schedule B No.

701700	Batteries, dry, multiple cell, except flashlight.
701800	Other dry and wet cell batteries
	Recommend embargo of the above
703500	Watt-hour and other integrating meters
	Recommend embargo of the above, except for household type meters.
704330	Electric propulsion motors, generators, and controls for land transportation vehicles, and specially fabricated parts and accessories, n.e.c.
	Recommend embargo of the above.
705698	Portable electric tools, n.e.c.
705705	Parts and accessories, n.e.c. specially fabricated for portable electric tools.
	Recommend embargo of the above.
705725	Electric farm and home type freezers
705735	Complete mechanical refrigerating systems (whether or not hermetically sealed), up to and including 1/5 horsepower, for electric household type refrigerators and farm and home type freezers
705760	Parts and accessories, n.e.c., specially fabricated for electric household type refrigerators and home type freezers.
	Recommend embargo of farm and home type freezers only.
706305	Small filament bulbs (lamps), miniature, candelabra, and intermediate base.
706455	Large filament bulbs (lamps), medium screw, mogul, bi-post bayonet, and other large base lamps.
	Recommend embargo of the above except for ornamental and household types.
706501	Fluorescent bulbs and tubes (lamps)
706555	Vapor and other nonfilament bulbs and tubes (lamps) n.e.c.
706590	Parts, n.e.c., specially fabricated for electric bulbs and tubes (lamps).
	Recommend embargo of the above.

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Schedule B No.

706700 Searchlights and airport beacons.
Recommend embargo of the above.

707415 Electrical industrial melting and refining furnaces.
707425 Electrical industrial heat-treating furnaces.
707435 Parts, n.e.c., specially fabricated for electric industrial melting, refining and heat-treating furnaces.

707492 Electrical industrial heating units and devices, n.e.c., and specially fabricated parts, n.e.c.
Recommend embargo of the above types not presently covered by International or U. S. Security Lists.

707509 X-Ray parts, n.e.c., specially fabricated for X-ray tubes and valves.
Recommend embargo of the above.

707550 X-ray apparatus, n.e.c. and specially fabricated parts and accessories, n.e.c.
Recommend embargo of the above not presently covered by International or U. S. Security Lists.

707905 Capacitors (condensers)
707910 Resistors
707915 Inductors (including transformers and coils)
707916 Parts, n.e.c. specially fabricated for capacitors, resistors, inductors, transformers, and coils,
Recommend embargo of all types not presently covered by International or U. S. Security Lists.

708900 Bells, buzzers, annunciators, and alarms, n.e.c.
Recommend embargo of the following: Air raid sirens
Signal sirens
Sirens

709610 Fluorescent portable lamps.
709640 Incandescent lighting fixtures, exterior.

Recommend embargo of the above.

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Schedule B No.

- 709810 Building wire and cable, insulated.
- 709830 Weatherproof and slow burning wire, insulated
- 709855 Communication and signal wire and cable, insulated.
- 709860 Rubber and/or synthetic rubber-sheated portable cord, wire, and cable.
- 709865 Rubber and/or synthetic rubber-insulated wire and cable with plain, braided, leaded, or armored finishes.
- 709870 Varnished-cambric insulated wire and cable, with braided, leaded, or armored finishes.
- 709875 Paper-insulated power cable, with leaded or armored finishes.
- 709885 Insulated wire and cable, n.e.c.

Recommend embargo of all above categories not presently covered by International or U. S. Security Lists.

- 709909 Parts, n.e.c. specially fabricated for electronic and cathode-ray tubes, n.e.c. including commercial, industrial, radio, and television tubes.

Recommend embargo of all types not presently covered by International or U. S. Security Lists.

- 709998 Electrical apparatus, n.e.c., and parts, n.e.c.

Recommend embargo of the following:

- Capacitors
- Condenser parts
- Condensers
- Non-rotating battery charger parts
- Non-rotating rectifier parts
- Rectifier parts
- Woodwelders

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ENGINES, TURBINES AND PARTS, N.E.C.

Schedule B Number

711100	Steam engines, except turbines Recommend embargo of above
711510	Turbines, n.e.c. Recommend embargo of following: Air turbines Jet engines, except aircraft
713200	Fire-tube power boilers (rated capacity, over 15 pounds pressure per square inch).
713300	Water-tube power boilers (rated capacity, over 15 pounds pressure per square inch).
713920	Parts, n.e.c., specially fabricated for power boilers. Recommend embargo of the above categories not presently on the International or U. S. security lists.
715900	Parts and accessories, n.e.c., specially fabricated for internal-combustion engines, n.e.c. Recommend embargo for those types which are not presently covered by the International or U. S. security lists.
716000	Power-generating machines, n.e.c. and specially fabricated parts, n.e.c. Recommend embargo of the above.

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CONSTRUCTION, EXCAVATING, MINING AND RELATED MACHINERY

Schedule B No.

720210 Parts, accessories and attachments, n.e.c. specially
fabricated for power excavators and dredging machines.
720240 Loaders (loading machines), non-excavating, new and used,
and specially fabricated parts, n.e.c.
720490 Parts, attachments and accessories, n.e.c., specially
fabricated for crushers, pulverizers, grinders,
granulators, screening machines, and crushing-screening
outfits.
721540 Parts and accessories, n.e.c., specially fabricated for
bituminous and concrete mixing, placing, paving and
finishing units, and auxiliary units, and bituminous
combination batching-mixing outfits.

Recommend embargo of all categories not presently covered
by International or U. S. Security Lists.

722020 Rollers (soil compactors), including road rollers.
722022 Parts and accessories, n.e.c. specially fabricated for
scrapers, graders and rollers
722024 Contractors wheel type tractors.
722025 Parts and accessories, n.e.c. specially fabricated for
contractors wheel type tractors.

Recommend embargo of all categories not presently covered
by International or U. S. Security Lists.

722030 Attachments, n.e.c., for track-laying or wheel type tractors,
or trucks.
722035 Parts and accessories, n.e.c., specially fabricated for
attachments, n.e.c., specially fabricated for attachments,
n.e.c., for track-laying or wheel type tractors, or trucks.
722040 Railway maintenance-of-way machines, n.e.c., and specially
fabricated parts, n.e.c.
722045 Construction and maintenance, n.e.c. and specially fabricated
parts, n.e.c.

Recommended embargo of all categories not presently covered
by the International or U. S. Security Lists.

723010 Railway cranes.

Recommend embargo of the above.

723020 Powered overhead traveling cranes.

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Schedule B Number

723040	Whirley cranes, including revolving and rotary cranes.
723070	Cranes, n.e.c.
	Recommend embargo of all types which are not now covered under International or U. S. Security Lists.
723075	Derricks except well derricks
723080	Parts, attachments and accessories, n.e.c. specially fabricated for cranes and derricks.
	Recommend embargo of all types which are not now covered by the International or U. S. Security Lists.
723090	Furnace-charging and decharging machines, forge manipulators and specially fabricated parts and accessories, n.e.c.
	Recommend embargo of the above.
723125	Hoists, winches, windlasses and capstans, n.e.c.
723145	Parts, n.e.c., specially fabricated for Hoists, winches, windlasses and capstans.
	Recommend embargo of the following types including parts:
	Contractor's Hoists
	Engine Hoists
	Logging Hoists
	Skagit Log Loaders
	Skagit Log Yarders
724915	Pneumatic conveyers and specially fabricated parts and accessories, n.e.c.
724920	Overhead track and trolley conveyers and specially fabricated parts and accessories.
724925	Cableways and specially fabricated parts and accessories
724935	Car dumping and unloading devices n.e.c., and specially fabricated parts and accessories.
	Recommend embargo of the above.
730760	Mine shaft and slope hoists.
	Recommend embargo of all types which are not now covered by the International and U. S. Security Lists.
730830	Rock drills mounted or unmounted.
	Recommend embargo of the above.

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MACHINE TOOLS AND PARTS (NON-PORTABLE)
(740005-744340)

Power-driven metalworking machine tools (non-portable) are now covered by International, U. S. security lists and U. K. Supplementary embargo list to China.

Recommend embargo of all parts which are not presently covered by International or U. S. security lists.

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METAL WORKING MACHINES, N.E.C.,
PARTS AND ACCESSORIES

(744371 - 746010)

All categories are now covered by the International, U. S. Security Lists, and the United Kingdom supplementary Embargo List to China.

Recommend embargo of all parts which are not currently covered by International and U. S. Security Lists.

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OTHER INDUSTRIAL MACHINES AND PARTS

Schedule B No.

- 763030 Rubber tire and tube building machine
- 763040 Rubber tire repairing, recapping and retreading machines, n.e.c.
- 763050 Parts, n.e.c. specially fabricated for above
- 763060 Rubber processing, rubber-working, and rubber products manufacturing machines, n.e.c., and specially fabricated parts, n.e.c.

Recommend embargo of all types which are not currently covered by the International and Security Lists.

- 764605-
- 765110 Air conditioning and refrigerating equipment, n.e.c. and parts, n.e.c.

Recommend embargo of all types which are not currently covered by the International and Security Lists.

- 765910 Commercial type refrigerators and freezers except self-contained, n.e.c.

Recommend embargo of the above.

- 766010 Auxiliary and access equipment, n.e.c., and parts, n.e.c., specially fabricated for the air conditioning and refrigeration industry
- 766030 Parts, n.e.c., specially fabricated - for foreign assembly or manufacture of air conditioning and refrigeration equipment
- 766050 Parts, n.e.c., specially fabricated for replacement in air conditioning and refrigeration equipment
- 766950 Controls, regulators, indicators, meters, and timers, n.e.c., and specially fabricated parts, n.e.c., for commercial and domestic central and space heating, ventilating, air conditioning, and air cooling equipment
- 766970 Industrial process indicating, recording and/or controlling instruments, n.e.c., and specially fabricated parts, n.e.c.
- 766990 Physical properties testing and inspecting machines, n.e.c. and specially fabricated parts and accessories

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Schedule B No.

- 766993 Size measuring machines and instruments, n.e.c., and specially fabricated parts, n.e.c.
766995 Geophysical and mineral prospecting equipment, n.e.c. and specially fabricated parts, n.e.c.

Recommend for embargo all types which are not currently controlled by the International or U. S. Security Lists

- 769100 Ball bearings and specially fabricated parts, except balls
769200 Roller bearings and specially fabricated parts, except rollers
769310 Balls for bearings
769315 Rollers for bearings
769320 Plain bearings, n.e.c., and specially fabricated parts, n.e.c.

Recommend embargo of all types which are not currently on the International and US Security Lists.

- 770790 Air and gas cleaning and purification machines, n.e.c. and specially fabricated parts

Recommend embargo of all types which are not currently on the International and US Security Lists.

- 771200 Heat exchangers and steam specially heaters, and specially fabricated parts, n.e.c.
771300 Cooling towers, cooling pond units, and specially fabricated parts, n.e.c.

Recommend embargo of all categories which are not currently on the International and U. S. Security Lists.

- 775002 Plastics-making, plastics-processing, and plastics products manufacturing machines, n.e.c.
775004 Parts, n.e.c., specially fabricated for above

Recommend embargo of all types which are not currently covered by International or US Security Lists.

- 775027 Cement and lime making machines, n.e.c., and specially fabricated parts, n.e.c.

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Schedule B No.

- 775030 Glassmaking, glass forming and glass finishing machines, n.e.c., and specially fabricated parts, n.e.c.
775035 Electronic, fluorescent and incandescent bulb and tube manufacturing and assembling machines, n.e.c., and specially fabricated parts, n.e.c.
775040 Wrapping, packaging, and filling machines, n.e.c., and specially fabricated parts, n.e.c.

Recommend embargo of all types which are not currently covered by International and US Security Lists

- 775055 Chemical and pharmaceutical processing and manufacturing machines, n.e.c., and specially fabricated parts, n.e.c.
775075 Brick, tile, ceramic, and concrete products manufacturing machines, n.e.c., and specially fabricated parts, n.e.c.
775080 Water treatment and sewage disposal equipment, n.e.c. and specially fabricated parts, n.e.c.
775090 Lubricating equipment, n.e.c., and specially fabricated parts and accessories, n.e.c.

Recommend embargo of all categories which are not currently covered by the International or US Security Lists.

- 775100- Nonelectric industrial furnaces, kilns, lehrs, and wens,
775150 and parts

Recommend embargo of all categories which are not currently covered by International or US Security Lists.

- 775210- Fuel firing units, n.e.c., and parts
775280

Recommend embargo of all types which are not currently covered by International or US Security Lists

- 775310 Mixing machines, n.e.c., and specially fabricated accessories and parts, n.e.c.
775330 Processing vessels, non-agitated, n.e.c., and specially fabricated accessories and parts, n.e.c.

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Schedule B No.

- 775360 Separators and collectors, industrial process type, n.e.c., and specially fabricated accessories and parts, n.e.c.
- 775380 Crushing, pulverizing and screening machines, n.e.c., and specially fabricated accessories and parts, n.e.c.
- 775400 Power transmission systems, mechanical and hydraulic, and specially fabricated parts and accessories, n.e.c.

Recommend embargo of all categories which are not currently covered by the International or US Security Lists.

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TRACTORS, PARTS, AND ACCESSORIES

Schedule B No.

- 787310 Tracklaying tractors, under 35 drawbar horsepower.
787593 Tracklaying tractors, used, under 95 drawbar horsepower.
Recommend embargo of all categories which are not currently covered by International or U. S. Security lists.
787910 Garden tractors, except motor tillers, new
787930
787950 Motor tillers, new
787980 Garden tractors and motor tillers, used
Recommend embargo of the above.
788901 Parts and accessories, n.e.c., specially fabricated for track-laying tractors.
788905 Parts and accessories, n.e.c., specially fabricated for wheel type tractors, except contractor's and industrial type.
Recommend embargo of all types which are not currently covered by the International and U. S. security lists.

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AUTOMOBILES, TRUCKS, BUSES, AND TRAILERS,
PARTS, ACCESSORIES, AND SERVICE EQUIPMENT.

Recommend embargo of all items which are not currently covered by the International or U.S. Security Lists or the United Kingdom Supplementary Embargo List to China.

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AIRCRAFT, PARTS, AND ACCESSORIES

793210- Recommend embargo of all aircraft, parts, and accessories
794960 not covered by International or U. S. security lists.

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RAILWAY TRANSPORTATION EQUIPMENT

796186 Railway signals and specially fabricated attachments
and parts, n.s.c.

796198 Railway transportation, n.s.c., and specially
fabricated parts, n.s.c.

Recommend embargo of all types which are not currently
covered by International or U.S. Security Lists.

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OTHER VEHICLES AND PARTS

797110-
797120

Motorcycles, accessories, and parts.

Recommend embargo of the above.

799996

Vehicles, n.e.c., and specially fabricated
parts, n.e.c.

Recommend embargo of the following:

Logging wagons
Motor Scooters
Sno-cat trailers
Sno-cats

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COAL TAR PRODUCTS

802590

Other coal tar intermediates

Recommend embargo for the following:

Aminodinitrophenol
Amylphenol
m-Benzylaminophenol
Butylphenol
Diamylphenol
Dichlorophenol
Aminonitrophenol
Aminophenetol
Aminophenylcresol
Dimethylaminophenol
Dimethylphenylenediamine
Ethylphenylbenzylamine
Methylphenylpyrazolone
Nepthol A and B
Nitrophenol
Nitropicric acid
Nitrophenylenediamine

802890

Other rubber compounding agents of coal tar origin,
n.e.c.

Recommend: Embargo of above

806930

Photographic chemicals of coal tar origin

Recommend: Other photographic chemicals of coal
tar origin for embargo.

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MEDICINAL AND PHARMACEUTICAL PREPARATIONS

811100 Castor oil, medicinal grade
Recommend: Embargo

812310 Insulin, all forms
Recommend: Embargo

812330 Enzymes, ferments and culture media
Recommend: Embargo for all enzymes, ferments, and culture media.

812390 Biologic products, n.e.c.
Recommend: Embargo of all biologic products, n.e.c.

812790 Tablets, pills, capsules, powders, ointments, extracts, and similar manufactures, in dosage form, n.e.c., of druggists' nonproprietary preparations.
Recommend: Embargo of all druggists' nonproprietary preparations in tablets, pills, capsules, powders, ointments, and similar manufactures in dosage forms, n.e.c.

813580 Acetylsalicylic acid or aspirin, bulk
Recommend: Acetylsalicylic acid or aspirin, bulk, for embargo

813581 Antipyretics and analgesics, n.e.c., bulk
Recommend: Antipyretics and analgesics, n.e.c., bulk, for embargo

813585 Barbituric acids, salts, compounds, and all forms of derivatives, except parenteral solutions or ampoules
Recommend: Embargo of above

813586 Narcotics, all forms
Recommend: Embargo of above

813587 Quinine sulfate and quinine hydrochloride
Recommend: Embargo of above

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- 813588 Other alkaloids of cinchona bark, their salts, derivatives, and preparations, all forms except parenteral solutions or ampoules
Recommend: Embargo of above
- 813589 Alkaloids, their salts, derivatives and preparations, medicinal, n.e.c., except parenteral solutions or ampoules.
Recommend: Embargo of above
- 813591 Parenteral solutions, including ampoules (exclusive of biologics, sulfonamides, antibiotics, and narcotics).
Recommend: Embargo of above
- 813593 Inorganic medicinal chemicals, n.e.c., bulk
Recommend: Embargo of above
- 813595 Organic medicinal chemicals, n.e.c., bulk
Recommend: Embargo of above
- 815000
- 815700 Malaria, chill and fever remedies
Recommend: Embargo of above

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CHEMICAL SPECIALTIES

820590 Agricultural insecticides, fungicides, and similar preparations
 and materials, dry or liquid basis, n.e.c.
 Recommend for embargo: Lime sulfur
 Sulfur paste
 Sulfur, wettable

820600 Household or industrial insecticides, fungicides,
 exterminators, and repellents, liquid, paste, powder,
 or solid form.
 Recommend for embargo: Aerosol bombs
 Bug bombs
 Moth balls

823850 Textile specialty compounds
 Recommend for embargo: Castor oil sulfonated

823900 Tanning specialty compounds
 Recommend for embargo: Chromium tanning mixtures
 Fatty acids sulfonated
 Sulfonated oils
 Castor oil sulfonated

825000 Metal working compounds
 Recommend for embargo: Thermit

825230 Maleic anhydride type alkyd resins
 Recommend for embargo: Maleic anhydride type
 alkyd resins

825470 Vinyl resin scrap, in any form
 Recommend for embargo: Same as above

828890 Organic surface agents, n.e.c.
 Recommend for embargo: Tergital
 Tritons
 Tweens

828950 Specialty cleaning and washing compounds
 Recommend for embargo: Rifle cleaning compounds
 Metal cleaners

829200 Leather dressings, oils, polishes and stains
 Recommend for embargo: Castor oil sulfonated
 Neats foot oil
 Sulfonated oils
 Trukey red oil

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829700 Animal charcoal or bone charcoal, deodorizing, decolorizing, and gas absorbing carbons, n.e.c.

Recommend for embargo: Bone black
Bone charcoal, spent
Hydrodarco
Norit
Nuchar coal
Sylvac
Vegetal

829890 Rubber compounding agents organic, not of coal tar origin
Recommend for embargo: Organic rubber compounding agents,
not of coal tar origin, n.e.c.

829990 Chemical specialty compounds, n.e.c.
Recommend for embargo: Platinum liquids for decorating china or glass
Platinum plating solutions
Fire extinguishing compounds
Fire retardant coating for interior use
Fire retardant compounds
Fluorescent powder, daylight
Gold liquids
Luminescent compounds
Napalm
Oil treating compounds
Pour depressants
Prestone
Rhodim plating solutions
Silver liquids
Silicone emulsions
Silicone fluids
Silicone compounds
Silicone water repellent agents

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INDUSTRIAL CHEMICALS

Schedule B. No.

830300 Organic acids and anhydrides, n.e.c.
Recommend for embargo: Naphthenic and
sebacic acids.

830910 Chromic acid and anhydride
Recommend for embargo: Chromic anhydride

830930 Nitric acid and anhydride
Recommend for embargo: Nitric anhydride

830980 Inorganic acids and anhydrides, n.e.c.
Recommend for embargo:
Anhydrous hydrofluoric acid
Hydrofluoric acid
Hydrofluosilic acid
Mixed acids, as nitrating acid.
Nitric and sulfuric acids (mixed)
Phosphomolybdic acid
Phosphoric acid - ortho, pyro and meta
Phosphoric anhydride
Phosphorus pentoxide
Phosphotungstic acid
Solonous acid

831590 Alcohols, n.e.c.
Recommend for embargo:
Crotonyl alcohol
Olefin alcohol
Unsaturated alcohol
Vinyl alcohol

832700 Cellulose nitrate lacquer base, wet-down or
plasticized
Recommend for embargo: Same as above

832810 Cellulose acetate flake and powder and cellulose
acetate butyrate flake and powder
Recommend for embargo: Cellulose acetate
powder and cellulose acetate butyrate
and powder.

832920 Camphor natural and synthetic
Recommend for embargo: Same as above

833900 Aluminum compounds, n.e.c.
Recommend for embargo:
Activated alumina

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Schedule B. No.

	Dehydrated alumina
	Hydrated alumina
	Hydrated aluminum oxide
835900	Potassium compounds, except fertilizers, n.e.c. Recommend for embargo: Potassium fluoride
836500	Sodium carbonate, calcined or soda ash Recommend for embargo: Same as above
836600	Causticized soda ash Recommend for embargo: Same as above
837310	Caustic soda, solid Recommend for embargo: Same as above
837320	Caustic soda, liquid Recommend for embargo: Same as above
837330	Sodium hydroxide, in packages of less than 50 lbs. Recommend for embargo: Same as above
837990	Sodium compounds, n.e.c. Recommend for embargo: Sodium fluoride
838100	Tin compounds Recommend for embargo: Same as above
838500	Ammonium compounds Recommend for embargo: Ammonium phosphate Dicyanodiamide
839200	Chlorine Recommend for embargo: Same as above
839590	Cases, n.e.c., liquid and solidified Recommend for embargo: Acetylene Tear gas, commercial
839722	Manganese dioxide Recommend for embargo: Same as above
839730	Hydrogen peroxide Recommend for embargo: Hydrogen peroxide under 50% strength

839900 Other industrial chemicals

Recommend for embargo: Phosphor powder

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PIGMENTS, PAINTS, AND VARNISHES

Schedule B Number

842800	Titanium dioxide and titanium pigments Recommend above for embargo
842900	Chemical pigments, n.e.s. Recommend for embargo: Barium chromate Coloring oxide, chromium Coloring oxides, used in decorating ceramics Lead chromate Luminescent zinc pigments not radioactivated Zinc chromate yellow
843600	Paint and varnish driers Recommend for embargo: Lead naphthenate paste drier Lead naphthenic compound Zinc naphthenate
843800	Ready-mixed paints, stains and enamels Recommend for embargo: Paints containing radium Pigmented synthetic resin, dissolved in organic solvent Radium paint, for watch dials

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FERTILIZERS AND FERTILIZER PRODUCTS

850500

Amonium sulphate

Recommend for embargo: Same as above

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Explosives, Fuses, and Blasting Caps

Recommend embargo of the following:

862500	Safety fuses
862700	Electric blasting caps
862800	Non-electric blasting caps

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PHOTOGRAPHIC AND PROJECTION GOODS

900050 Motion picture cameras, standard gauge, 35mm
900131 Motion picture cameras, substandard gauge, 16 mm, gun
900139 Motion picture cameras, substandard gauge, 16 mm, other
900150 Motion picture cameras, substandard gauge, 8 mm

Recommend embargo of the above.

900238 Commercial and scientific still picture cameras

Recommend embargo of the above.

900600 Parts, n.e.c., specially fabricated for cameras.

Recommend embargo of the following:

Camera prisms, technicolor
Exposure meters, built in type
Folmer identification outfit parts, scientific
Oscillograph camera parts
Photomicrographic camera parts
Range finders

900700 Motion-picture projectors, standard gauge, 35mm
900830 Motion-picture projectors, substandard gauge, 16 mm, silent
900840 Motion-picture projectors, substandard gauge, 16 mm, sound
900850 Motion-picture projectors, substandard gauge, 8 mm, silent
900900 Projectors, except motion-picture

Recommend embargo of the above

900100 Recording motion-picture sound equipment and specially
fabricated parts, n.e.c.
901100 Reproducing motion-picture sound equipment and specially
fabricated parts, n.e.c.

Recommend embargo of the above.

902000 Arc lamps, motion-picture projection
902200 Motion-picture screens and specially fabricated parts, n.e.c.
902300 Photographic and projection lenses
902700 Motion-picture projection equipment, n.e.c., and specially
fabricated parts, n.e.c.
902800 Motion-picture studio equipment, n.e.c., and specially
fabricated parts, n.e.c.

Recommend embargo of the above.

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912700 Dry plates
912900 Photographic paper (sensitized)
913010 Microfilm equipment, and specially fabricated parts, n.e.c.
913090 Photocopying equipment and specially fabricated parts, n.e.c.

Recommend embargo of the above

914000 Photographic equipment, accessories, and supplies, n.e.c.,
and specially fabricated parts, n.e.c.

Recommend embargo of the following:

Aerial mapping still projector frames
Airgraph paper processor
Arc lamps, for reproducing negatives
Audio-visual set parts
B alopticon parts
Camera stands, copying
Cinelac machines
Cine viewer parts
Color screens, photographic
Contact dryers
Contact printers
Craig fotofade sets
Delineascope parts
Developing, printing, fixing, or
washing tanks and machines.
Dies and punches
Dry mounting press
Duplicate positives for plates
Editing machines
Enlargers
Etching sets
Exposure meters
Flash synchronizers
Flashing powder
Glass positives
Halftone glass screens
Intervalometer
Kodachrome negative
Kodascope parts
Luxometers
Photomicrographic arc lamps
Processing equipment
Projectocharts
Rotogravure positive
Screens
Stereopticon parts
Timers
Tracing cloth, sensitized
X-ray dark room outfits
X-ray developing apparatus
X-ray microfilm equipment

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SCIENTIFIC AND PROFESSIONAL INSTRUMENTS, APPARATUS AND
SUPPLIES, N.E.C.

Schedule B No.

914750 Optical lenses and prisms, unmounted, coated or uncoated, n.e.c.
914960 Optical examining and diagnostic instruments, apparatus, and
specially fabricated parts, n.e.c.
914998 Optical goods, n.e.c., and specially fabricated parts, n.e.c.

Recommend embargo of the above.

915000 Dental instruments, and specially fabricated parts, n.e.c.
915300 Precious metals for dentistry.
915550 Dental office and laboratory equipment, n.e.c., and specially
fabricated parts, n.e.c.
915590 Dental supplies, n.e.c.

Recommend embargo of the above.

915610 Sterilizers and autoclaves (dental, medical, surgical, and
laboratory) and specially fabricated parts, n.e.c.
915740 Surgical and medical diagnostic instruments, n.e.c., and
specially fabricated parts, n.e.c.
915750 Surgical and medical instruments, n.e.c., and specially
fabricated parts, n.e.c.

Recommend embargo of the above.

915810 Hearing devices, and specially fabricated parts, n.e.c.
915850 Surgical appliances, n.e.c. and specially fabricated parts, n.e.c.
915990 Surgical and medical apparatus, n.e.c., and specially
fabricated parts, n.e.c.

Recommend embargo of above.

916010 Transits and levels.
916025 Drawing and drafting equipment, and specially fabricated parts.
916029 Surveying and engineering instruments, and specially fabricated
parts, n.e.c.
916050 Navigational instruments, n.e.c., and specially fabricated
parts, n.e.c.

Recommend embargo of the above.

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- 919010 Meteorological instruments, and specially fabricated parts, n.e.c.
- 919068 Laboratory, analytical, and pharmaceutical scales, weights, and balances.
- 919070 Basic research laboratory apparatus and equipment n.e.c., and specially fabricated parts, n.e.c.
- 919080 Secondary research laboratory apparatus and equipment, n.e.c., and specially fabricated parts, n.e.c.

Recommend embargo of the above.

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MUSICAL INSTRUMENTS, PARTS, AND ACCESSORIES

924200

Phonograph records

Recommend embargo of the following:

Biscuits, for making phonograph records

Recording blanks, home

Recording blanks, wax

927700

Parts and accessories, n.e.c., specially
fabricated for musical instruments.

Recommend embargo of the following:

Guitar strings, steel

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ORDNANCE AND PYROTECHNICS

947220 Sporting rifles, not over .22 caliber
947230 Sporting rifles, over .22 caliber
947300 Shotguns
948162 Shotgun shells

Recommend embargo of the above.

948164 Metallic cartridges

Recommend embargo of the following:
Sporting rifle

948169 Components and parts, n.e.c. specially fabricated
for small arms ammunition.

Recommend embargo of the following:
Shotgun shells, empty

949700 Fireworks, pyrotechnics, and specially fabricated
parts, n.e.c.

Recommend embargo of the following:
Flares, aircraft.
Flares, airport.
Photographic bombs, aerial, for
industrial or military use.
Pistol hammers, signal.
Pistol sets, signal.
Position lights, for industrial
or military use.
Pyrotechnics for industrial or
military use.
Railroad fuses, for industrial
or military use.
Railroad torpedoes, for industrial
or military use.
Red signal flares.
Smoke flares.
Tear gas guns.

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BOOKS, MAPS, PICTURES, AND OTHER PRINTED
MATTER, N.E.C.

955000

Photographs and blueprints

Recommend embargo of the above

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MISCELLANEOUS COMMODITIES. N.E.C.

968501 Thermostatic containers

 Recommend embargo of canteen only

979900 Lighting devices, n.e.c., and specially fabricated parts,
 n.e.c.

 Recommend embargo of the following:
 Illuminating flares
 Illuminating torches, non-electric
 Marine lights.

980700 Fire-fighting equipment (except automotive fire engines
 and trailers), and specially fabricated parts, n.e.c.

980800 Safety apparel and equipment, n.e.c., and specially
 fabricated parts, n.e.c.

 Recommend embargo of the above.

984120 Mechanical farm and home type freezers, except electric.

 Recommend embargo of the above.

984200 Ice refrigerators, household and commercial types.

 Recommend embargo of the following:
 Commercial types.

999930 Military apparel of all types and materials, including
 insignia, and footwear (new and used).

999960 Miscellaneous military and naval equipment, n.e.c., and
 specially fabricated parts, n.e.c.

 Recommend embargo of the above.

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STATEMENT OF UNDERSTANDING WITH RESPECT TO TRADE WITH HONG KONG

1. It is the understanding that the trade with Hong Kong is not covered by this letter.
2. Japan will fully cooperate with the Hong Kong government in its effort to accomplish security export control, by complying with its rules and regulations concerning Essential Supply Certificate.
3. Those commodities for which the Hong Kong government does not customarily issue Essential Supply Certificate will be exported by Japan without such certificate with due regard for the necessity of security export controls for Communist controlled areas in the Far East.
4. The Japanese government will be willing to exchange information with the United States Government on the trade with Hong Kong.

Attachment #5
August 11, 1952
Washington, D.C.

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NOTES ON BILATERAL NEGOTIATIONS WITH JAPAN

Mr. Takeuchi called on Mr. Linder at 9:30, July 28 to tell him what position Japan would take at the five-country meeting. He had been instructed by his Government to seek admission into COCOM. In addition, he was instructed to discuss in the meeting Japan's future level of controls on exports to Communist China along the lines set forth in a piece of paper which he handed to Mr. Linder (Attachment 1). He said that his Government was willing to maintain substantially its present level of controls for a reasonable period of time in anticipation that Japan's principal competitors in the Far East will tighten their controls by agreement. Moreover, Japan was willing to cooperate in concerted action to raise the level of controls. He said, on the other hand, that the Japanese people could not understand why the Japanese Government should embargo shipment of such items as cotton textile machinery while the United Kingdom continues to ship it in substantial quantities. Moreover, while willing to maintain strict controls on strategic items, they could not understand what harm would be done by exporting to Communist China numerous items such as punk, mosquito repellent. He indicated that it would be difficult for Japan to continue to be bound indefinitely to maintain tighter controls than its principal competitors.

Mr. Linder replied that we had considered that such substantive questions would not be appropriate for discussion at this meeting, and that the other participating countries concurred in this view. Mr. Takeuchi then requested bilateral talks on this subject. He expressed a strong desire that they be completed before the end of the multilateral meeting so that an announcement could be made by his Government that controls on some items had been relaxed, for example on textile machinery, paper products, dyestuffs and wool knit goods, which had been previously discussed with the United States Government.

Mr. Linder noted that COCOM establishes minimum standards, which a number of Governments, including the United States, Canada and the United Kingdom exceed in their own security interests. He urged Japan to maintain its present level of controls against Communist China at least as long as there is aggression in the Far East. Mr. Takeuchi expressed a willingness to cooperate but stated that the Japanese people expected some relaxation of controls to result from the meeting. He reiterated his request for bilateral talks in lieu of his raising the matter in the multilateral meeting and Mr. Linder agreed to the proposal. A technical group, chaired by Mr. George of the Department of Commerce, was established. The group was composed of Messrs. Matsuo and Yamashita from the Japanese Delegation and representatives from State and Commerce. This Committee made rapid progress and by July 31 had reached tentative agreement on two papers (Attachment 2).

Mr. Linder

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Mr. Linder called Mr. Takeuchi to his office on July 31 to request him to agree to an exchange of letters under which the Japanese would commit themselves to (1) embargo items on the United States Security Lists, (2) embargo an additional list of items found to be readily determinable as of strategic importance to Communist China and (3) license those items agreed to be of little or no strategic importance to Communist China only in return for essential commodities. Mr. Takeuchi protested against giving such a commitment as the price of obtaining membership in COCOM and wished to know the reason for the request. Mr. Linder replied that the other agencies had felt very strongly that the establishment of a separate Far East organization would greatly assist in maintaining adequate export controls against the Communist Far East. He said it was apparent that the United States was not going to succeed in obtaining the agreement of the other countries to this proposal and the other agencies believed it necessary to obtain some assurance that controls against Communist China would not be weakened. Mr. Takeuchi was greatly perturbed, in part because the request had come so late in the meeting and despite the substantial progress made in the technical group. Mr. Linder insisted that such a letter was necessary. Mr. Linder noted that such a letter would not go beyond what the Japanese had already stated to be their intention.

At a meeting of the United States Delegation that night the text of a letter to be requested of Mr. Takeuchi was agreed upon. This was handed to Mr. Takeuchi at the Japanese Embassy by Mr. White at 9:15 a.m., August 1 (Attachment 3). Because of the urging of Mr. Linder and Mr. U. Alexis Johnson, both by telephone, and the insistence of Mr. Linder when Mr. Takeuchi called in person later in the day (See Memorandum of Conversation -- Attachment 4) Mr. Takeuchi indicated that afternoon that he would submit a counter-draft that evening.

Mr. White went to the Japanese Embassy at 10:00 p.m. to receive the counter-draft (Attachment 5). Mr. White said he was sure that it would not meet Mr. Linder's needs. This did not appear to surprise Mr. Takeuchi but he said he did not see how he could send the letter requested by Mr. Linder. He said his instructions did not authorize him to go that far and it was too late to transmit a text and receive a reply by 11:00 a.m. Saturday -- the time scheduled for the final multilateral meeting.

Mr. White then suggested the possibility of a letter which would include paragraph numbered 1 of the requested letter, coupled with a general commitment that Japan would maintain its present controls as long as there is aggression in the Far East. He said this was a personal suggestion but he thought such a statement would be acceptable. Mr. Takeuchi refused this proposal on the ground that the second part of the formula was too general and friction would result because of disagreements in the course of implementing it.

Mr. White

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Mr. White then suggested that the paper handed informally to Mr. Linder on July 28 (Attachment 1) might be strengthened and used as the basis of a letter. After some discussion it became clear that exploration along this line would be less likely to be fruitful than a further effort to get agreement to the Delegation's draft, with some modification if necessary, and this was suggested to Mr. Takeuchi.

At that point Mr. Waring arrived, and at Mr. Takeuchi's request gave a somewhat detailed explanation of the reasons why a commitment was desired. Mr. Takeuchi said he had a much clearer understanding of the problem, which would be helpful in explaining the matter to his Government.

Mr. White reverted to his previous suggestion that those present¹ go over the letter in an effort to find a basis for agreement. Mr. Takeuchi said he thought the only reason for doing so "would be to please Mr. White" but he agreed to the suggestion.

First, Mr. Takeuchi objected to the all-inclusive character of the words "for the Far East" in the introductory heading. Mr. White said he thought there would be no difficulty in substituting "Communist China and North Korea". Mr. Waring suggested using the language in the footnote on page 2 of the multilateral paper - "Communist China, North Korea, and any other Communist-controlled area in the Far East", which was accepted.

Mr. Waring suggested changing "might" to "may" in line 4 and this was agreed.

At Mr. Takeuchi's request the words "by mutual agreement" were inserted in the first sentence of numbered paragraph 2.

Mr. Takeuchi's principal objection related to the second sentence of numbered paragraph 2. He thought the language was permissive in character and therefore not appropriate in view of the sovereign status of Japan. Also, he thought the language was vague. He referred to the technical group papers, noting that the language there was clear and would embody a definite commitment which could be implemented without the possibility of continual controversy between the two parties as to what had been agreed upon. Mr. Takeuchi said he was encouraged by the progress made in selecting the

commodities

¹ Messrs. Takeuchi, Tsurumi, Mori, Waring and White.

² On August 4 Mr. Tsurumi brought Mr. White a "corrected letter", in which the language was changed to conform to the change made in the multilateral paper on Saturday morning. This was accepted reluctantly by Mr. Linder.

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commodities to be discussed for possible inclusion for control under the terms of paragraph 3(a). He thought this might be finished by Monday or Tuesday and the technical group paper be approved; why not wait until then when he hoped to have a good idea of the kind of items the United States would regard as of strategic importance to Communist China? Mr. White pointed out that the letter was only a broad statement of principles, the details of which would be filled in by the working party paper; he thought, therefore, that in one sense the proposed exchange of letters could be considered as a stop-gap. This did not convince Mr. Takeuchi.

It had been apparent from the beginning that the second sentence of paragraph 2 constituted the real basis for Mr. Takeuchi's difficulty. Mr. Waring tried some alternative language but it became clear that it would be necessary to delete the sentence. However, it was also clear that Mr. Takeuchi would have no objection to going far in the direction of incorporating by reference the substance of the working party papers. (The possibility of completely doing so had been suggested by Mr. White in a previous conversation but, as expected, Mr. Takeuchi rejected the idea.) Mr. Waring suggested language designed to accomplish that purpose, which, with slight modification, was accepted. Thus, the controversial sentence was dropped but, in the opinion of the United States negotiators, was offset by strengthening the last paragraph.

Mr. Takeuchi said his instructions "were primitive" and he had doubts as to whether he could send the letter as revised. He said he was afraid "it would cost him his neck". He consulted his colleagues in Japanese. Mr. Takeuchi then said his position vis-a-vis his Government would be much better if he could have a "side understanding on Hong Kong" to send with his report on the letter. This was worked out with Mr. Waring (Attachment 6), who said he thought it would be acceptable to his Government. Mr. Takeuchi then finally indicated that he would send the letter the next morning but requested that he be informed as soon as possible whether there was any question regarding the points on Hong Kong. (These were accepted, along with the letter, at the Delegation meeting Saturday morning. See Attachments 7 and 8 for the texts of the letters exchanged.)

Mr. White then gave Mr. Takeuchi a counter-draft (Attachment 10) to the Japanese draft press release (Attachment 9) on the "five-items". Mr. Takeuchi referred to a telephone conversation between Mr. White and Mr. Tsurumi in which the former had reported that although he would have the comments of the United States Delegation regarding the Japanese draft that evening, he hoped that no statement would be issued for at least a week after the meeting had adjourned. Mr. Takeuchi became very emotional at that point. He said he had long since promised the newspapers a statement at

the end

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the end of the conference and he would prefer to resign rather than not do so. He said further that the text had been transmitted to Tokyo, his code clerks were gone, and it was impossible to make any substantive changes. (It was then almost 2:00 a.m.) An attempt was made to explain why it would be politically dangerous to have the relaxation of controls on these items related in the public mind with either (1) the multilateral meeting or (2) an agreement on the matter with the United States Government. Mr. Takeuchi went into some length regarding the pressure on his Government to make an announcement and would only agree to telegraph his Government to strike out references to any bilateral agreement.

Mr. Takeuchi called on Mr. Linder at 10:50, Saturday, August 2, and the letters were exchanged. In reply to a question, Mr. Linder said the points regarding Hong Kong were fully acceptable to his Government. Mr. Linder, earlier that morning had cleared with members of his delegation the suggestions made by Mr. Takeuchi in respect of Hong Kong. Mr. Linder then told Mr. Takeuchi he had been informed of his desire to make a statement to the press on the "five items" that day. He said he fully understood Mr. Takeuchi's difficulty and would not urge him to delay appreciably his statement. However, he wondered whether it was not possible to arrange it so that the statement would not appear in the Japanese newspapers before Monday. The answer was in the negative. Mr. Linder asked whether Mr. Takeuchi intended to give the statement to the press in Washington. Mr. Takeuchi replied that he was going to do so that afternoon. Mr. Linder asked if he could not notify the newspapermen that he would hold a press conference Sunday afternoon. Mr. Takeuchi again replied in the negative. But assurance was given to Mr. Linder that Mr. Takeuchi's contacts would be with the Japanese press.

The participants then went to the final multilateral meeting, at which a final agreement was reached on a paper to be transmitted by the Chairman to the members of the Consultative Group.

Attachments: 10

1. Japan's Control on Export to Communist China (6/27/52)
2. Japan's Control on Export to Communist China (undtd.)
3. Draft Letter to Mr. Linder from Mr. Takeuchi (undtd.)
4. Memo of Conversation re Attached Draft Letter to Mr. Linder dtd. 8/1/52
5. Copy of Letter to Mr. Linder from Mr. Takeuchi
6. Trade With Hong Kong
7. Copy of Letter to Mr. Linder from Mr. Takeuchi (8/2/52)
8. Mr. Linder's Reply to Mr. Takeuchi's Letter of 8/2/52
9. Japanese Draft Press Release
10. Statement by the Japanese Government.

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Attachment 1

JAPAN'S CONTROL ON EXPORT TO COMMUNIST CHINA

1. a. The commodities enumerated in the International List shall be embargoed, b. The commodities included in the present U.S. Security List but not listed in the International List will tentatively continue to be embargoed, in anticipation of inclusion of such commodities, in the International List within a reasonable length of time. c. The Commodities included in the list attached to the existing Export Trade Control Order but not falling under the above mentioned Two lists will be permitted to be shipped, only upon review of individual transaction, carefully weighing importance of commodities to be obtained in return. In addition, due attention will be paid to insure that the quantities be limited to reasonable amount.
2. For the purpose of implementing the above control, no modification of the existing law and order concerning export control will be necessary.
3. In the event export control is strengthened by agreement among the nations having principal trading interests in the Far East, Japan is willing and prepared to cooperate in such a concerted action.

July 27, 1952

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Attachment 2

JAPANESE CONTROL ON EXPORT TO COMMUNIST CHINA

1. The commodities enumerated in any International Control List shall be embargoed.
2. The commodities included in the U.S. Security Lists (including the Battle Act Lists) but not listed in the International Control Lists will tentatively continue to be embargoed, in anticipation of inclusion of such commodities in the International Lists within a reasonable length of time.
3. The commodities included in the list attached to the existing Export Trade Control Order but not falling under the above-mentioned lists will be controlled in one of the following ways:
 - (a) Until a more definitive determination is made, items which are found to be readily determinable as of strategic significance to China will be embargoed by Japan to Communist China. Where proposed shipments of any such item to China would, in the opinion of the Japanese Government, involve their exchange for items of a character and quantity of such importance to the basic economy of Japan or the defense production programs in the free world, including Japan, as clearly to represent a highly favorable exchange, such transactions would be made the subject of bilateral discussions between Japan and the U.S. prior to any definitive action by the Japanese Government.
 - (b) Until a more definitive determination is made, items which are suspected to be of strategic importance to Communist China or concerning which there is real uncertainty as to the strategic importance to China will be licensed to China only upon the review of individual transactions by the Japanese Government under strict quantitative control and where, in the opinion of the Japanese Government, the goods which are to be received in exchange clearly would contribute to the basic economy of Japan or the defense production programs in the free world, including Japan. The Japanese Government and the U.S. Government will exchange information periodically as to their shipment of goods to Communist China in this category.
 - (c) Until a more definitive determination is made, items which are determined to be of limited if of any strategic importance to

, China

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China will be freely licensed for export to China by Japan but within reasonable quantities so as to exclude their use by the Communist Chinese for conversion to direct or indirect military support uses. The Japanese Government and the U.S. Government will exchange information periodically as to their shipments of goods to Communist China in this category.

It is recognized that determinations of strategic significance involve constant review of commodities in their relationship to specific areas under varying conditions. It is understood that neither the U.S. Security Lists nor the International Lists as approved or under consideration reflect a detailed technical analysis of the strategic worth of goods insofar as they apply to Communist China, such lists having been developed primarily for application against the more highly developed economies of Eastern European Countries which are not in open conflict with free world military forces.

In the range of commodities not now covered by U.S. Lists or by any International List the earliest determinations of strategic significance respecting China are necessary and international (multilateral) effort involving Japan, U.S. and other countries (with substantial Far Eastern interests) should be begun to this end. These efforts should be brought to a conclusion at the earliest possible date.

As a preliminary step and to meet the immediate problem facing Japan, the Japanese Government will examine jointly with the U.S. the residual items described above in order to make preliminary and tentative determinations as to their strategic significance respecting Communist China. This examination will begin immediately and be completed at the earliest possible time. The results will be viewed as preliminary and tentative pending further detailed examination of the problem on a multilateral basis.

With respect to Paras 1 and 2 of the agreed paper it is understood that the Japanese Government will continue to embargo to Communist China all items on these lists at least so long as there is Communist aggression in the Far East which is recognized by the United Nations.

With reference to the phrase "until a more definitive determination is made" indicated in paragraph 3(a), (b) and (c) of the agreed paper, it is hereby understood that the Japanese Government will not be required to take actions referred to in the above-mentioned paragraphs in cases where the

Coordinating

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Coordinating Committee or similar international organization has made determinations different from those tentatively agreed upon in accordance with these paragraphs, or where it has failed to make or discuss such determinations within a reasonable length of time. With respect to items covered by para. 3(a) however, where a multilateral determination has not been made, the Japanese Government will continue the agreed 3 (a) control at least so long as there is Communist aggression in the Far East which is recognized by the United Nations.

Notwithstanding this understanding, in such event the Japanese Government will be ready to discuss the matter with the United States Government in the light of the situation then prevailing, in the spirit of close co-operation between the two countries.

In implementing paragraph 3 of the agreed paper it is understood that the following action program will be followed:

- a. For action under para 3 (a) the initial list will be composed of the items being considered in COCOM for embargo to China which are not on the International Lists and such items as the two governments may agree should also be embargoed to China on the basis of an immediate review of the uncovered commodity areas to be undertaken by technicians of the two governments.
- b. The commodities on the Japanese Control List which will not have been covered by the U.S. Security Lists, the International Lists or Para a above will be reviewed by the Japanese Government in Tokyo and recommendations made as to the control of such commodities under para 3 (b) and (c). These recommendations will then be discussed between the two governments. During the period of such examination and discussion the Japanese Government will treat all these commodities under the provisions of paragraph 3 (b).

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~~Attachment 3~~

Dear Mr. Linder:

I believe it would be useful for me to set forth my understanding of our recent conversations on the subject of security export controls for Communist China, North Korea and such other Communist-controlled areas in the Far East, the essential points of which may be summarized as follows:

1. Japan will continue to embargo all items on the United States Security Lists during the period of Communist aggression in the Far East.
2. Japan and the United States will review all other items which may be of strategic value as expeditiously as possible with a view of determining by mutual agreement those on which an embargo should be maintained in order to attain our mutual security objectives.

It is my understanding that the work of the technical group is in accord with and is designed to implement the concepts set forth above. I believe the current conversations have contributed to closer mutual understanding of the problems of each country related to security export control and it is my sincere desire that the present work of the technical group will be brought to an early conclusion.

Ryuji Takeuchi
Minister Plenipotentiary

The Honorable

Harold F. Linder,

Acting Assistant Secretary for Economic Affairs.

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Attachment 4

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DEPARTMENT OF STATE

MEMORANDUM OF CONVERSATION

DATE: August 1, 1952

SUBJECT: Attached Draft Letter to Mr. Linder

PARTICIPANTS: Mr. Takeuchi, Minister Counselor of Japanese Embassy
Mr. Mori, Japanese Foreign Office
Mr. Harold P. Linder, Acting Assistant Secretary for Economic Affairs
Miss Miriam Camp, RA
Mr. C. Thayer White, NA

COPIES TO: Mr. Linder
Mr. Vernon - EDT
Miss Camp
American Embassy, Tokyo
FE
NA

Mr. Takeuchi came to Mr. Linder's office to discuss the attached draft letter which had been given to him earlier in the morning.

Mr. Takeuchi stated that he would be willing to give Mr. Linder a letter along the lines of the draft, but that he would probably wish to suggest a few changes in wording. (Mr. Takeuchi had indicated, when Mr. White handed him the draft letter, that he might wish "for the Far East" changed to "Communist China" and the phrase "which is recognized by the United Nations" added at the end of paragraph numbered 1.) He indicated, however, that he would need to refer the amended letter to his Government.

Mr. Takeuchi was greatly disturbed over the request for an agreement in writing, particularly at this time in view of the progress being made by the Working Party. Mr. Linder noted that Mr. Takeuchi had been unwilling to agree definitively to the working party documents until he was reasonably certain what items would be considered to be of strategic significance to Communist China (paragraph 3(a) of the draft "Japan's Control on Export to Communist China") and that this would take some time. Mr. Linder stated that in his opinion Mr. Takeuchi was not being unreasonable in this connection. He pointed out that the draft letter is a very simple document and merely puts on paper, in less sweeping form, the principles tentatively agreed to in the Working Party and, in fact, only puts on paper what Mr. Takeuchi had stated on July 28 to be the Japanese intentions. He also pointed out that it was

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envisaged under paragraph numbered 2 that no item would be embargoed by Japan except by mutual agreement. He thought the request therefore was very reasonable.

Mr. Takeuchi stated specifically that there was an agreement between the two parties on this subject and indicated nothing further was necessary. With reference to his statement of July 28, he noted that it was informal and that he had not anticipated in the beginning of the discussions that he would be required to put on paper what was intended to be an informal statement. He pointed out that, in fact, we were asking for a written agreement between the United States and Japan which would bind Japan not to export certain items.

Mr. Takeuchi indicated some resentment with respect to what he called "suspicions" of Japanese good faith and inquired what agencies of the United States desired the letter. Mr. Linder evaded the question. He thought the word "suspicions" was an inaccurate term. On the contrary, he pointed out that in the proposed letter only very general principles would be established and the details would be filled in later by the two parties on a mutually acceptable basis. He referred to the practice in the business world of two firms agreeing on "Chapter Heads" - a statement of basic principles - the details of which would be filled in later. He said these agreements were generally carried out to the satisfaction of both parties.

Mr. Takeuchi said he would call Mr. Linder later in the day with respect to possible changes in wording, after which he would telegraph Tokyo. He thought he would have a reply by tomorrow.

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Attachment 5

Dear Mr. Linder:

In reply to your request for clarification in writing of my understanding of the conversations on the subject of Japan's security control over export to Communist China between my associates and the officials of your Government, I wish to state as follows:

1. These conversations have been started for the purpose of establishing a more rational and consistent Japanese control over export to Communist China so as to maintain strict security export control of the commodities of strategic value while effecting an appropriate adjustment of control over other commodities of non-strategic value.
2. The present conversations have been held on the basis of my paper dated July 27, 1952 regarding "Japan's Control on Export to Communist China". After full exchange of the views of the two parties, an amended draft and its accompanying paper were agreed upon with a few exceptions on the working group level on July 31, 1952. This understanding has been reached in the spirit of close cooperation between the two countries and will be finalized upon study of the list of the commodities of strategic value which will be presented to the next meeting on Monday. Accordingly, I am looking forward to an immediate commencement of the work of the technical group to make preliminary determination of the commodities of strategic value.
3. The gist of the draft and its accompanying paper might be summarized as follows:
 - a. Japan will continue to embargo to Communist China all items on the International List and United States Security Lists during the period of hostility in Korea.
 - b. Until a more definitive determination is made by multilateral agreement, Japan will embargo to Communist China the items other than those mentioned above which have been determined as of strategic value by agreement between the Governments of Japan and the United States.
 - c. Japan will license for export to Communist China of all other commodities with due consideration of export quantity and importance of commodities to be obtained in exchange.

I believe the current conversations have contributed to closer mutual understanding of the problems of each country related to security export control, and it is my sincere desire that the whole question will be settled at the earliest possible date.

Ryuji Takeuchi
Minister Plenipotentiary

CONFIDENTIAL

1. It is the understanding that the trade with Hong Kong is not covered by this letter.
2. Japan will fully cooperate with the Hong Kong government in its effort to accomplish security export control, by complying with its rules and regulations concerning Essential Supply Certificate.
3. Those commodities for which the Hong Kong government does not customarily issue Essential Supply Certificate will be exported by Japan without such certificate with due regard for the necessity of security export controls for Communist controlled areas in the Far East.
4. The Japanese government will be willing to exchange information with the United States Government on the trade with Hong Kong.

CONFIDENTIAL

EMBASSY OF JAPAN
2514 Massachusetts Avenue, N.W.
Washington 8, D.C.

Attachment 7

August 2, 1952

Dear Mr. Linder:

I believe it would be useful for me to set forth my understanding of our recent conversations on the subject of security export controls for Communist China, North Korea and such other communist controlled areas in the Far East, excluding Soviet territory, as may be agreed, the essential points of which may be summarized as follows:

1. Japan will continue to embargo all items on the United States Security Lists during the period of Communist aggression in the Far East.
2. Japan and the United States will review all other items which may be of strategic value as expeditiously as possible with a view of determining by mutual agreement those on which an embargo should be maintained in order to attain our mutual security objectives.

It is my understanding that the work of the technical group now being carried forward is in accord with, and designed to implement, the concepts set forth above. I believe that the current conversations have contributed to closer understanding of the problems of each country related to security export control, and it is my sincere desire that the work of the technical group will be brought to an early conclusion.

Very truly yours,

/s/ Ryuji Takeuchi

Ryuji Takeuchi
Minister Plenipotentiary

The Honorable

Harold F. Linder,

Acting Assistant Secretary for Economic Affairs.

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DEPARTMENT OF STATE
Washington

August 2, 1952

Dear Mr. Takeuchi:

Thank you for your cordial letter of August 2. I have noted with pleasure your assurance that Japan will continue to embargo all items on the United States security lists during the period of communist aggression in the Far East.

I concur in the understanding which you set forth in your letter regarding the objectives of the Technical Group in relation to the maintenance of security export controls in the Far East. I join with you in the belief that the work of the Technical Group has promoted a closer understanding of the problems in this field facing our two countries. We now appreciate fully our mutual desire in addition to embargoing important strategic items to exercise close supervision over the nature and quantities of less strategic items which may be destined for communist areas in the Far East.

I wish to assure you that I shall make every effort to expedite, on the part of the United States, the work of the Technical Group so that it may be brought to the earliest possible conclusion.

Sincerely yours,

Harold F. Linder
Deputy Assistant Secretary
for Economic Affairs

The Honorable
Ryuji Takeuchi,
Minister-Counselor,
Embassy of Japan,
Washington.

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Attachment 9

1. I cannot add anything to my statement just made about the five power talks. (statement along the agreed line)

2. (answering to questions) I believe it is safe to assume that out of the so-called five commodities in question, textile machinery, woolen knitted goods, paper and dyestuff except those determined as of strategic importance may be licensed by the Japanese Government for export to Communist China, upon review of individual transaction, carefully weighing importance of commodities to be obtained in return and with due attention being paid to insure that the quantities be limited to reasonable amount.

I wish to emphasize that this new development has nothing to do with the five power talks. (Or: This is a result of bi-lateral discussions with the U. S. Government)

As to the present Japanese control on export to China, I believe, such control will be maintained or strengthened on those commodities of strategic significance, but those commodities of non-strategic importance which are presently controlled will be licensed for export, with due consideration of quantity of such export and importance of commodities to be obtained in return. Further exchange of views with the U. S. Government will be continued.

STATEMENT BY THE JAPANESE GOVERNMENT

I am not in a position to add anything to my earlier statement with regard to the Five-Power Talks.

As far as Japanese export controls are concerned, my Government wishes to make it clear that it will continue to maintain its present embargo on shipments of strategic materials to Communist China and North Korea. Japan wishes to emphasize its continued cooperation with other countries of the Free World in this matter as long as Communist aggression continues in the Far East.

Commodities of non-strategic importance, however, will be subject to administrative discretion and may be licensed in reasonable quantities. Due consideration will be given in this connection to the importance of the commodities which may be obtained in return for our exports. I believe it is safe to assume that out of the so-called five commodities which have been frequently mentioned--textile machinery, woolen knitted goods, paper, and dyestuffs, those items determined by the Japanese Government to be non-strategic in nature will be licensed for export to Communist China only after reviewing each individual transaction with a view to the quantities involved and the importance of the commodities which will be obtained in return.

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UNDERSTANDING BETWEEN JAPAN AND THE UNITED STATES
CONCERNING THE CONTROL OF EXPORTS TO COMMUNIST CHINA

1. The commodities enumerated in any International Control List shall be embargoed.
2. The commodities included in the U.S. Security Lists (including the Battle Act Lists) but not listed in the International Control Lists will continue to be embargoed.
3. The commodities included in the list attached to the existing Export Trade Control Order but not falling under the above-mentioned lists will be controlled in one of the following ways:
 - (a) Until a more definitive determination is made, items which are found to be readily determinable as of strategic significance to Communist China will be embargoed by Japan to Communist China. Where proposed shipments of any such item to China would, in the opinion of the Japanese Government, involve their exchange for items of a character and quantity of such importance to the basic economy of Japan or the defense production programs in the free world, including Japan, as clearly to represent a highly favorable exchange, such transactions would be made the subject of bilateral discussions between Japan and the U.S. prior to any definitive action by the Japanese Government.
 - (b) Until a more definitive determination is made, items which are suspected to be of strategic importance to Communist China or concerning which there is real uncertainty as to the strategic importance to Communist China will be licensed to Communist China only upon the review of individual transactions by the Japanese Government under strict quantitative control and where, in the opinion of the Japanese Government, the goods which are to be received in exchange clearly would contribute to the basic economy of Japan or the defense production programs in the free world, including Japan. The Japanese Government and the U.S. Government will exchange information periodically as to their shipment of goods to Communist China in this category.

(c) Until

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- (c) Until a more definitive determination is made, items which are determined to be of limited if of any strategic importance to Communist China will be licensed for export to Communist China by Japan but within reasonable quantities so as to exclude their use by the Communist Chinese for conversion to direct or indirect military support uses. The Japanese Government and the U.S. Government will exchange information periodically as to their shipments of goods to Communist China in this category.

Washington, D.C.,
September 5, 1952.

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Part IIIb

INTERPRETATIVE NOTES WITH RESPECT TO THE UNDERSTANDING
BETWEEN JAPAN AND THE UNITED STATES CONCERNING THE CONTROL OF
EXPORTS TO COMMUNIST CHINA

1. It is recognized that determinations of strategic significance involve constant review of commodities in their relationship to specific areas under varying conditions. It is understood that neither the U.S. Security Lists nor the International Control Lists as approved or under consideration reflect a detailed technical analysis of the strategic worth of goods insofar as they apply to Communist China, such lists having been developed primarily for application against the more highly developed economies of Eastern European countries which are not in open conflict with free world military forces.

2. In the range of commodities not now covered by U.S. Lists or by any International Control List the earliest determinations of strategic significance respecting China are necessary. It is understood that international (multilateral) consideration involving Japan, the United States and other countries with substantial Far Eastern interests will be begun in order to arrive at determinations with respect to the strategic importance of commodities to Communist China. These discussions should be brought to a conclusion at the earliest possible date.

3. As a preliminary step and to meet the immediate problem facing Japan, the Japanese Government will examine jointly with the U.S. the residual items described above in order to make preliminary and tentative determinations as to their strategic significance respecting Communist China. This examination will begin immediately and be completed at the earliest possible time.

4. With these determinations in mind, the two governments will jointly endeavor to strengthen the international level of controls on exports of items of strategic importance to Communist China.

5. With respect to Paras 1 and 2 of the agreed paper it is understood that the Japanese Government will continue to embargo to Communist China all items on these lists at least so long as there is Communist aggression in the Far East.

6. With reference

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6. With reference to the phrase "until a more definitive determination is made" indicated in paragraph 3(a), (b) and (c) of the agreed paper, it is hereby understood that taking into account any relevant discussions in the China Committee of the COCOM with respect to the list of items which should be controlled to China alone, the United States and Japan, upon the request of either Government, will consult to consider the method and degree of control over the items described in these paragraphs concerning which the China Committee has made no determination within a reasonable period or has made determinations different from those tentatively agreed upon in accordance with these paragraphs. In no event, however, will the Japanese Government be required to take the actions referred to in paragraphs 3(b) or (c) in cases where the COCOM has made determinations different from those tentatively agreed upon in accordance with these paragraphs.

7. In implementing paragraph 3 of the agreed paper it is understood that the following action program will be followed:

- a. For action under para 3(a) the initial list will be composed of the items being considered in COCOM for embargo to China which are not on the International Control Lists or the U.S. Security Lists and such items as the two governments may agree should also be embargoed to China on the basis of an immediate review of the uncovered commodity areas to be undertaken by technicians of the two governments.
- b. The commodities on the Japanese Control List which will not have been covered by the U.S. Security Lists, the International Control Lists or Para a. above will be reviewed by the Japanese Government in Tokyo and recommendations made as to the control of such commodities under para 3(b) and (c). These recommendations will then be discussed between the two governments. During the period of such examination and discussion the Japanese Government will treat all these commodities under the provisions of paragraph 3(b).

Washington, D.C.
September 5, 1952

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It was agreed that each country would be responsible for relations with the press of its own country.

It was further agreed that any such statement would take the following lines: These meetings are purely informal. Discussions are limited to the question of appropriate arrangements relating to security export controls with particular reference to the Far East. The countries represented are Canada, France, Japan, the United Kingdom and the United States.

Part IV

AGREED PUBLICITY RELEASE ON THE OUTCOME OF THE
FIVE-POWER TALKS, AUGUST 2, 1952

The Governments of the United States, United Kingdom, France, Canada and Japan have satisfactorily concluded their meetings on security export control arrangements with particular reference to the Far East. Recommendations with respect to the position /participation/ of Japan were formulated for consideration by other interested Governments. They are being communicated to these Governments and therefore nothing further can be stated at this time.

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U.S. PROPOSAL

The purpose of this meeting, as I believe all of us are agreed, is to determine what will be the best method whereby we can bring into some effective relationship the economic security efforts which are being made by the countries of Western Europe, Canada, the United States and Japan, especially in the Far East. This is a question in the first instance of coordinating the steps which have been taken thus far on the one hand by the Western European countries, Canada and the United States, and on the other hand by Japan. We might explore briefly the setting of this problem as we understand it in the United States.

Since the first part of 1950 there has been in existence the multi-lateral organization which we know as the Consultative Group and the Coordinating Committee. This organization was launched as a means of concerting action by the United States, Canada and the principal countries of Western Europe in controlling their exports to the Soviet Bloc for the purpose of restricting the war potential of the Soviet Union and its satellites in Eastern Europe.

In late 1949 and early 1950 the countries which participated in setting up this organization were faced with the threat of aggression by the Soviet Union, and proceeded to take action in the face of that threat. In June 1950, however, we were faced with a new development - actual aggression in Korea. This was a compelling reality which affected the actions and planning of the free world nations in many fields, not least in the field of economic security controls. In response to the Korean aggression, the Consultative Group countries extended the controls which had originally been developed with an eye primarily to the situation in the European Soviet Bloc, to apply also to China. They agreed to follow with respect to China an embargo policy so far as all the International security lists are concerned, and are scheduled to continue discussions in August of the proposals which the United Kingdom has made for the addition of more items to the embargo list for China.

I mention these developments because they emphasize the increasing importance which has been attached to our defense efforts in the Far East, and the increasing extent to which the countries participating in the Coordinating Committee have had to take account of China in the context of economic security controls.

At the same time that the countries of the Coordinating Committee were developing their controls directed at restricting the war potential of the European Soviet Bloc (which was the area of the Bloc with which their economic problems were foremost), Japan was exercising controls over trade with China, which was the area of the Soviet Bloc with which Japan naturally was primarily concerned in respect to its economic security. It is understandable that Japan has in effect a very stringent system of controls against trade with China in view of the twin facts - first, that China is engaged as an aggressor against the United Nations forces in Korea, and second, that

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Japan's relationship with China is far more significant than her relationship with the countries of the European Soviet Bloc. The United States and Canada have even more restrictive controls in effect over their trade with China, and the United Kingdom applies controls which are more extensive than the multilateral level of controls agreed in the Coordinating Committee, though less stringent than those of Japan, Canada or the United States.

This generally summarizes the background as we see it against which we must consider the problem for which this conference has been called - namely, the problem of developing an appropriate arrangement for adequate multilateral coordination of these efforts, with particular reference to the Far East.

I think we can all frankly recognize that there are a number of ways in which the economic security control efforts of the free world in Europe and the Far East could be associated. It has been our view that for a number of reasons the economic security objectives of the free world in the Far East can best be served by the establishment of a multilateral forum to deal specifically with Far Eastern economic security problems while providing a close link with the existing Coordinating Committee structure.

In our considerations which have led to this conclusion, we have been concerned with attaining three general objectives, and have felt that whatever multilateral organization is decided upon should meet these objectives. They can be stated briefly as follows: first, flexibility of organization; second, efficiency of operation; third, rational consideration of the most appropriate controls. These are the desiderata to be sought through the organizational arrangements which this conference will establish. I should like to discuss some of the factors which have entered into our thinking in connection with each of these objectives.

Flexibility of Organization

The existing Consultative Group-Coordinating Committee structure was created originally with a view to the development of appropriate controls on trade with the European Soviet Bloc. At the time that the organization was started, we were confronted with a very different situation in China than we are today. What we might refer to as the finer points of analysis with respect to the control of trade to China, and the relationship of China to the other countries of the Soviet Bloc have never been adequately explored in the Coordinating Committee. For one thing, that Committee is not made up of persons especially well versed in the field of Far Eastern economic relations. The whole development of the Coordinating Committee body of understandings and controls has quite naturally emphasized the European situation.

Apart from the fact that the European organization is preponderantly concerned and especially skilled in dealing with the European export control problem, there is a somewhat less tangible consideration which I should like

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to mention. For the last five years the Western European countries together with Canada and the United States have worked together in the NATO, in the OEEC and in other organizations on a whole range of economic problems of the North Atlantic and European areas. There has evolved a habit of cooperation among these countries and a complex system of economic interrelationships among these countries to which we attach particular value. This common approach to many interrelated problems has lent strength to each of the parts.

Although none of us can predict accurately the course of the future there might be a similar development among the countries of the Far East. In any case it may well be desirable to bring into the economic security effort other Far Eastern countries who while having a genuine concern with Far Eastern control measures have little or no interest in primarily European control matters.

It is for these reasons that we have felt that it would be desirable in whatever organizational arrangements we agree upon to retain sufficient flexibility so that at some future time or on some particular economic security issues we can maintain a forum with a predominantly European orientation and another with a primarily Far Eastern orientation, although they clearly must be securely linked together and follow common policies if our over-all interest is to be well served.

Efficiency of Operations

At the same time, we have felt that efficiency of operation is an important objective to be sought in developing the proposed multilateral framework for relating Far Eastern economic security efforts to those in Europe. This is a practical consideration which has a number of ramifications. The European Coordinating Committee is extremely busy, meeting virtually five days a week with an agenda that leaves no room for convenient interjection of a detailed review of Far Eastern economic security problems. Yet such a detailed review will inevitably be necessary in relating the Far Eastern economic security control effort to that which has been developed in Europe. There simply would not be time for adequate consideration of these problems in the light of the heavy burden that has already been placed upon the Coordinating Committee. It has been our assumption that some of the initial tasks which would require the devotion of concentrated time and effort would include a careful analysis of the factors which enter into the evaluation of China's war-making capacity, a careful review of the relevant control lists, and a review of possible Japanese interest in quantitative quotas which have been established by the Coordinating Committee. In all these matters, as well as in the consideration of new matters which have a primarily Far Eastern emphasis, it appears unnecessary to require the participation of all the Coordinating Committee members in the initial working discussions. This is particularly true of the countries which have a very minor interest in Far Eastern trade control problems.

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These considerations make it extremely unlikely that the COCOM could deal adequately and efficiently with Far Eastern security control discussions. Whatever multilateral framework may be developed as a result of this conference should therefore be one which will permit adequate and efficient consideration of Far Eastern security control problems.

Rational Consideration of the Most Appropriate Controls

The development of the Coordinating Committee control lists occurred without the benefit of Japan's specialized knowledge of China, and those lists were not based on a detailed study of the items which contribute most particularly to the military potential and war making capacity of communist China. There are in Japan many persons, both within the Government and in private industry, who are familiar with the Chinese economy. The organization agreed upon should make adequate provision for making maximum use of such experts. With the participation of Japan in a multilateral forum which will be able to devote adequate attention to Far Eastern problems, it should be possible to develop a more reliable understanding of the structure of the Chinese economy. This would lead to the conclusion that whatever multilateral plan is developed as a result of this conference, it should be so constituted as to permit the fullest use of Japan's special knowledge of China.

* * * * *

Having reviewed these general objectives which should be sought in whatever multilateral organization may be deemed desirable, I should now like to outline briefly the type of organizational arrangements which we believe would be most satisfactory in meeting these objectives. This has already been outlined briefly to each of the governments represented here, but it may be useful to do so again.

We have envisaged an organizational framework which will provide a Far Eastern working group which is sufficiently separate operationally from the European Coordinating Committee-Consultative Group organization to permit adequate study of relevant problems, while providing for a joint consideration of the Far Eastern and European aspects of particular problems at the policy level whenever matters of common interest to Europe and the Far East arise. We therefore propose the establishment of a coordinating committee for the Far East equivalent to the present European Coordinating Committee. This coordinating committee would deal on a working basis with Far Eastern economic security matters. It would operate within the framework set by a consultative group on the ministerial level parallel to the existing Consultative Group, composed of the same countries as would participate in the Far Eastern coordinating committee. This Far Eastern consultative group would also consider special Far Eastern problems referred to it by the coordinating committee. These Far Eastern bodies would be composed of the countries represented at this conference plus perhaps other countries which have an important interest in Far Eastern economic security matters.

The Far Eastern

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The Far Eastern consultative group and the European Consultative Group would meet jointly as a top policy committee to consider economic security problems of interest to both Europe and the Far East. This would assure the close coordination of European and Far Eastern economic security policy. In order further to assure the coordination of the Far Eastern and European aspects of economic security, we believe that the Far Eastern coordinating committee would inform the European Coordinating Committee of its decisions, and that the Far Eastern consultative group would inform the European Consultative Group of its decisions, for information and parallel action. The same would be true in the opposite direction. If as a result of this process of exchange of information, there appears to be a conflict of policy, the conflict would be referred to a joint meeting of the Far Eastern consultative group and the European Consultative Group sitting as a top policy body.

In order to expedite the proceedings in the two areas as much as possible, it would be our thought that the members of the Coordinating Committee would implement their agreements when reached, and that the same would be true of the Far Eastern coordinating committee. This would eliminate the problems of delay which would otherwise be caused if the two groups postponed implementation of agreements pending concurrence all the way around.

This is the essence of our proposal. The arrangement provides, we sincerely believe, a basis for a workable and smooth operation. I should be glad to answer any questions you may have about its details, and would very much like to know what the reactions of the other delegates are to these proposals.

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Part IV

AGREED RECOMMENDATIONS TO MEMBER COUNTRIES OF THE CONSULTATIVE GROUP

As agreed at the Consultative Group meeting held in Paris on June 24, 1952, informal meetings have been held to work out proposals for the most effective way of associating Japan with the existing security export controls policies and procedures. These meetings took place in Washington under the Chairmanship of Mr. Linder from July 28 to August 2, 1952. The following countries were represented: Canada, France, Japan, United Kingdom, United States. The results of the meeting can be summarized as follows:

1. It was agreed that, with the re-establishment of the full sovereignty of Japan, it has become necessary to give special consideration to the problems of security trade controls in the Far East.

2. It was agreed that in order to deal appropriately with this problem, certain difficulties had to be overcome. One such difficulty arises out of the fact that the present agenda of the Coordinating Committee is heavily burdened with other pressing business. Another difficulty stems from the fact that the delegations of the member countries and the Secretariat have generally been staffed to deal, thus far, largely with the problems which originally led to the creation of the Paris organization, namely, security export controls on shipments to the European Soviet bloc, and have not been increased pari passu with the increase in the work.

3. The four nations agreed that in developing the necessary arrangements for associating Japan with the Paris organization, every reasonable

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reasonable step should be taken to meet this situation. To that end, the four nations have agreed on the following recommendations:

A. Japan to be invited immediately to join the Consultative Group and the CECOM.

B. As heretofore, policy decisions relating both to the Soviet bloc and China to be taken by the Consultative Group.

C. On instructions from the Consultative Group, a permanent working group to be termed the China Committee, to be set up by CECOM with the following general terms of reference and membership:

General Terms of Reference

The China Committee will be responsible for the development of the detailed aspects of security export control policy relating to China as laid down by the Consultative Group, and for ensuring the putting into effect of such policy. The Committee may also submit proposals for changes in policy. Member governments of the Consultative Group will be informed through the usual channels of the proceedings of the Committee. It will be open to the China Committee to institute such studies as they deem desirable on particular problems relevant to their work. To illustrate the type of problem with which this committee will be concerned, the following subjects were mentioned as suitable for consideration in the security export control context: lists of items to be denied

*Whenever the term "China" is used in this statement, it is intended to include Communist China, North Korea, and such other areas, excluding Soviet territory, as may be agreed. Whenever the term "China trade" is used, it is intended to cover not only direct trade subject to security export controls with these areas but also similar trade through third countries to the extent necessary to accomplish the Committee's work.

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to China alone; shipping and transshipment questions relating to China trade within the security export control framework. The general intention would be to enable the China Committee within the framework set out above to deal on its own responsibility speedily and efficiently with problems relating to China, and to confine the need for consideration by COCOM to problems which involve both the European Soviet bloc and China.

Membership

The China Committee will consist of those countries having a substantial interest in trade with China. Other member countries may participate fully in the deliberations and decisions of the Committee with respect to any issues in which they consider that they have a legitimate interest. The China Committee will circulate copies of all its documents to COCOM.

4. To give effect to the foregoing proposals and to ensure their adequate execution, the four countries recognize that the Secretariat of the Paris Organization will require strengthening. They are also prepared to strengthen their own national representation to the necessary extent and to urge that other national delegations do the same. This is necessary to ensure that adequate staff is available both in the Secretariat and in the national delegations to make it possible for the China Committee effectively to pursue its work independently of COCOM work programs.

5. In view

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5. In view of the urgency of the problem, it is requested that each member country advise the Chairman of the Consultative Group of its views on the proposals described above. If, as is hoped, there is general concurrence with these proposals, the Chairman of the Consultative Group will

- A. Invite the Government of Japan to accept membership in the Paris organization.
- B. Convene an early meeting of the Consultative Group, including Japan, in order (i) to welcome Japan to the Paris organization, (ii) to set up the China Committee and to determine more precisely its terms of reference and membership, and (iii) to initiate the necessary action concerning staff and national representation.

6. It is expected that Japan will accept an invitation from the Paris organization in accordance with the arrangements suggested above.

7. The English text of this message is the authentic text.

Washington, August 2, 1952

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